



Economic & Industry Outlook 2012-13



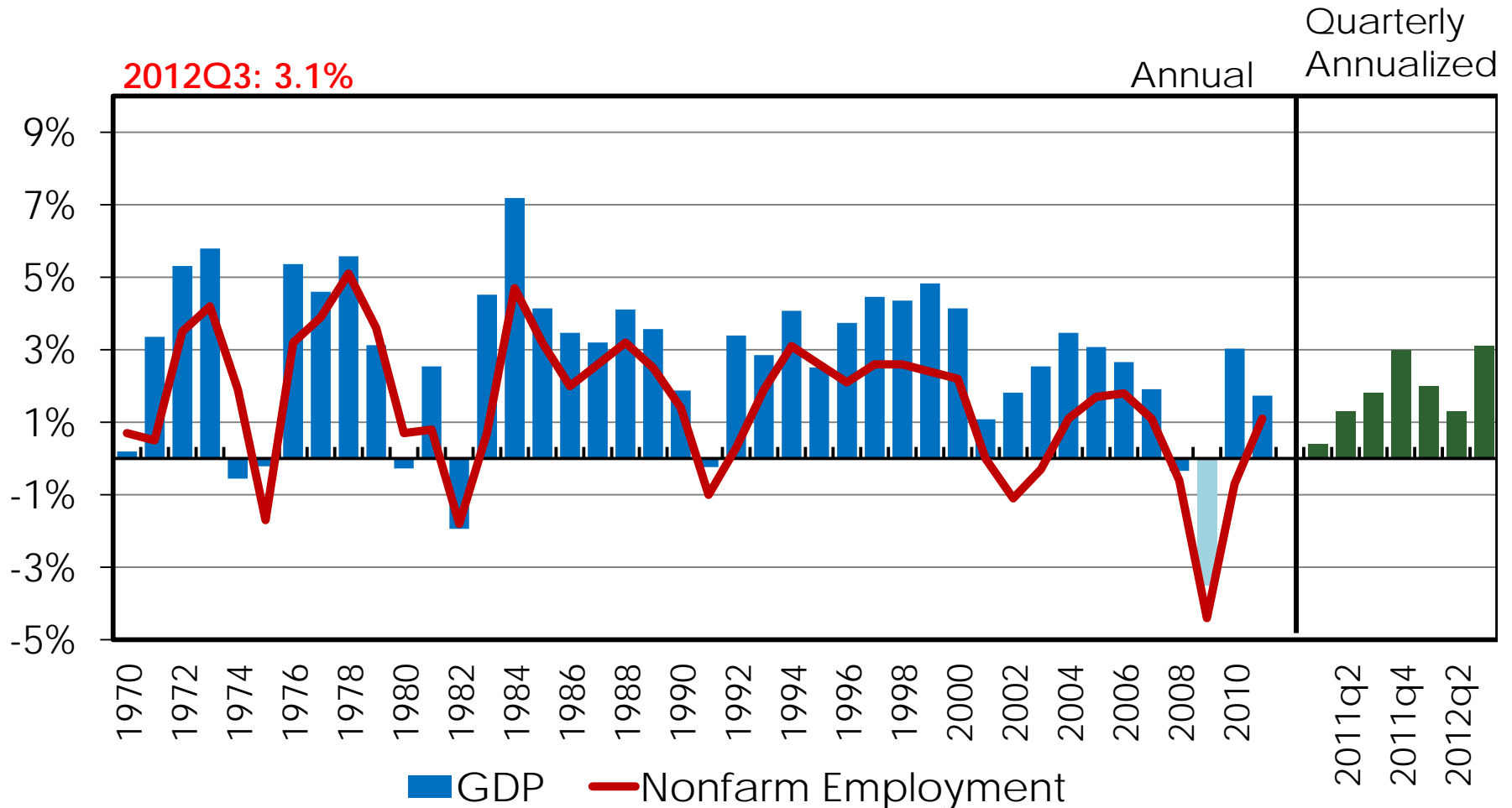
Los Angeles Transportation Club
January 8, 2013

Kimberly Ritter-Martinez

Economist, Kyser Center for Economic Research, LAEDC

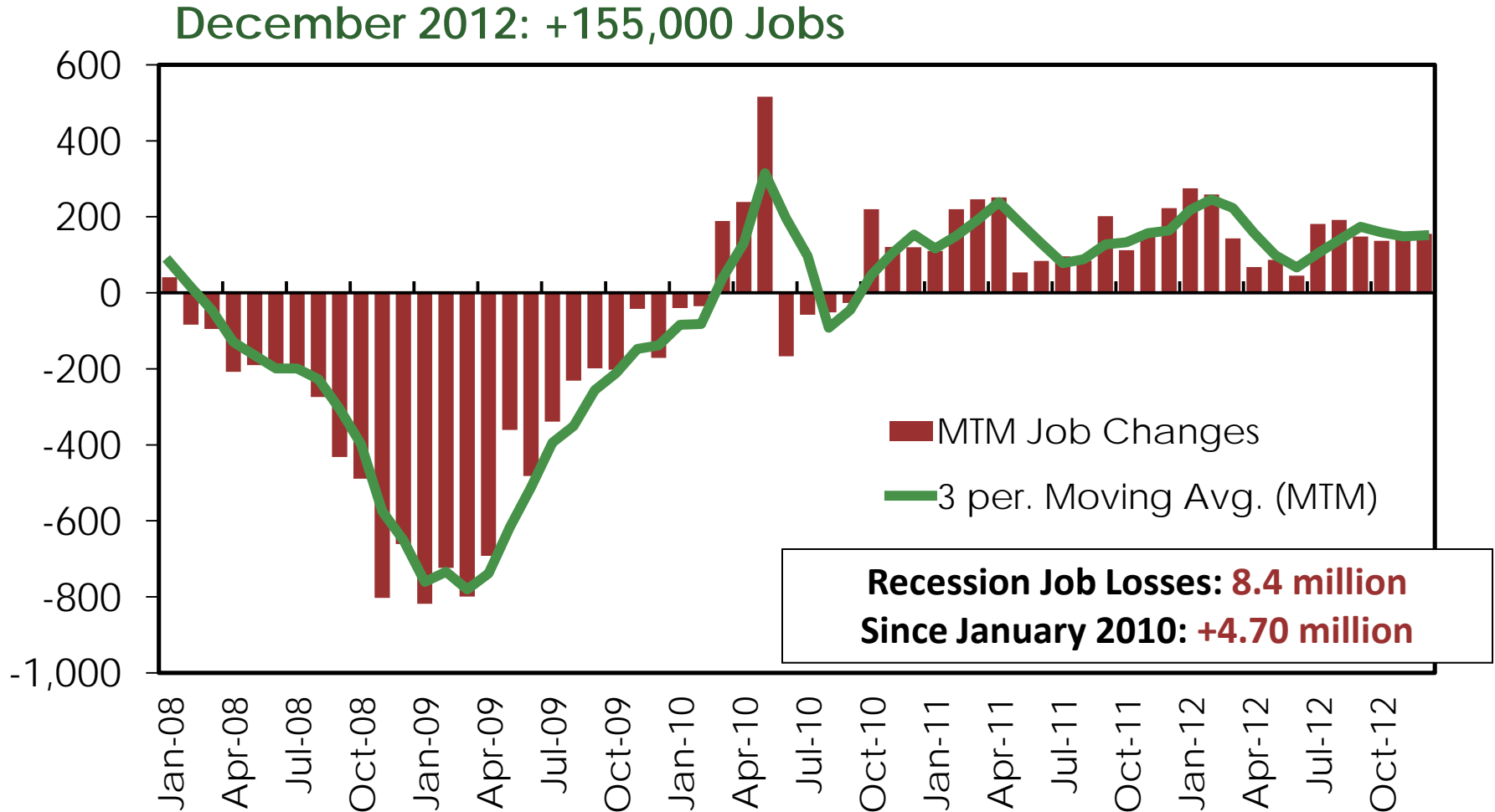
Link Between GDP & Employment

Annual Percent Change, Chain-Type (\$2005)



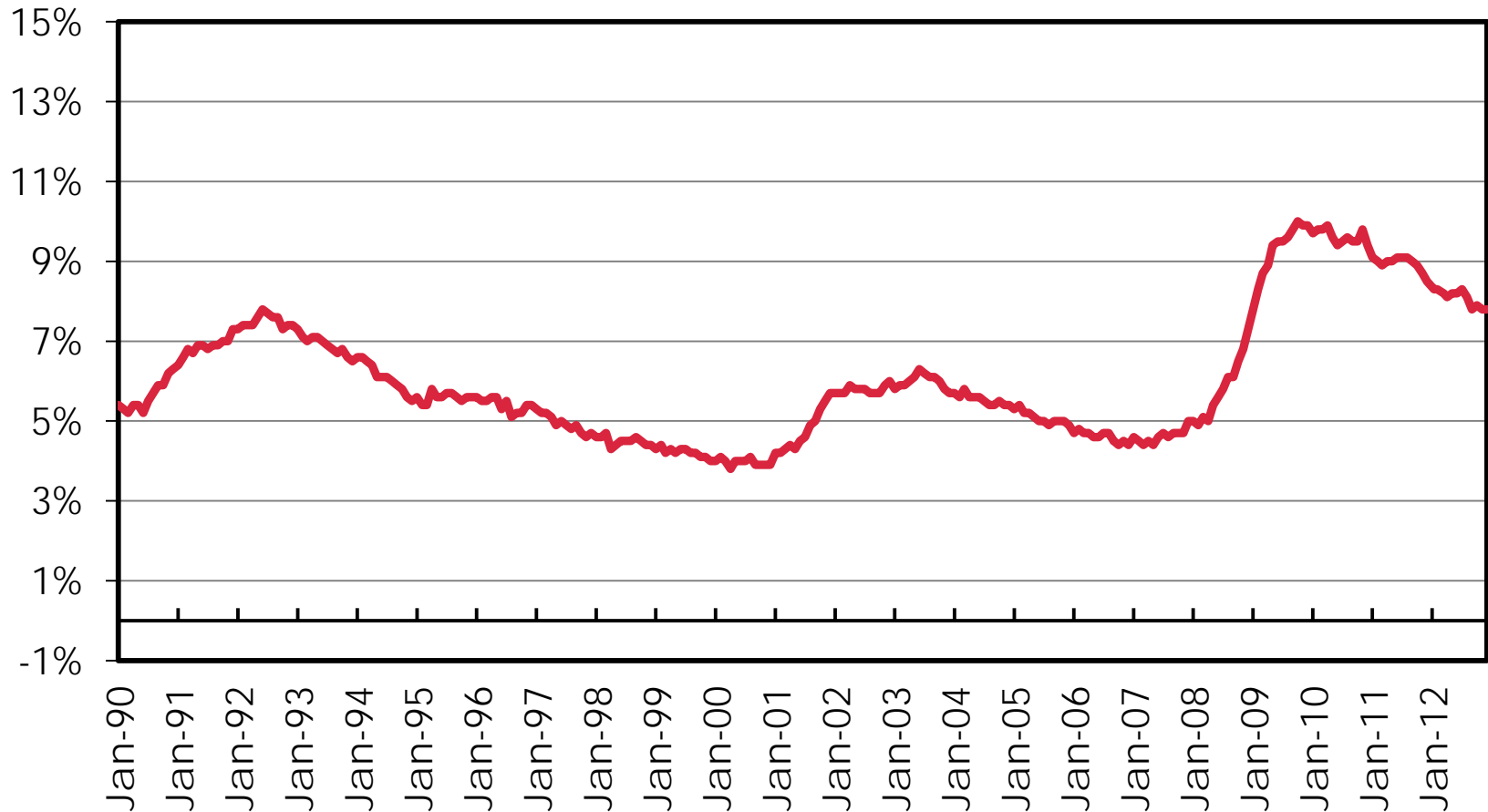
U.S. Nonfarm Job Growth

Month to Month Changes in Thousands, Seasonally Adjusted



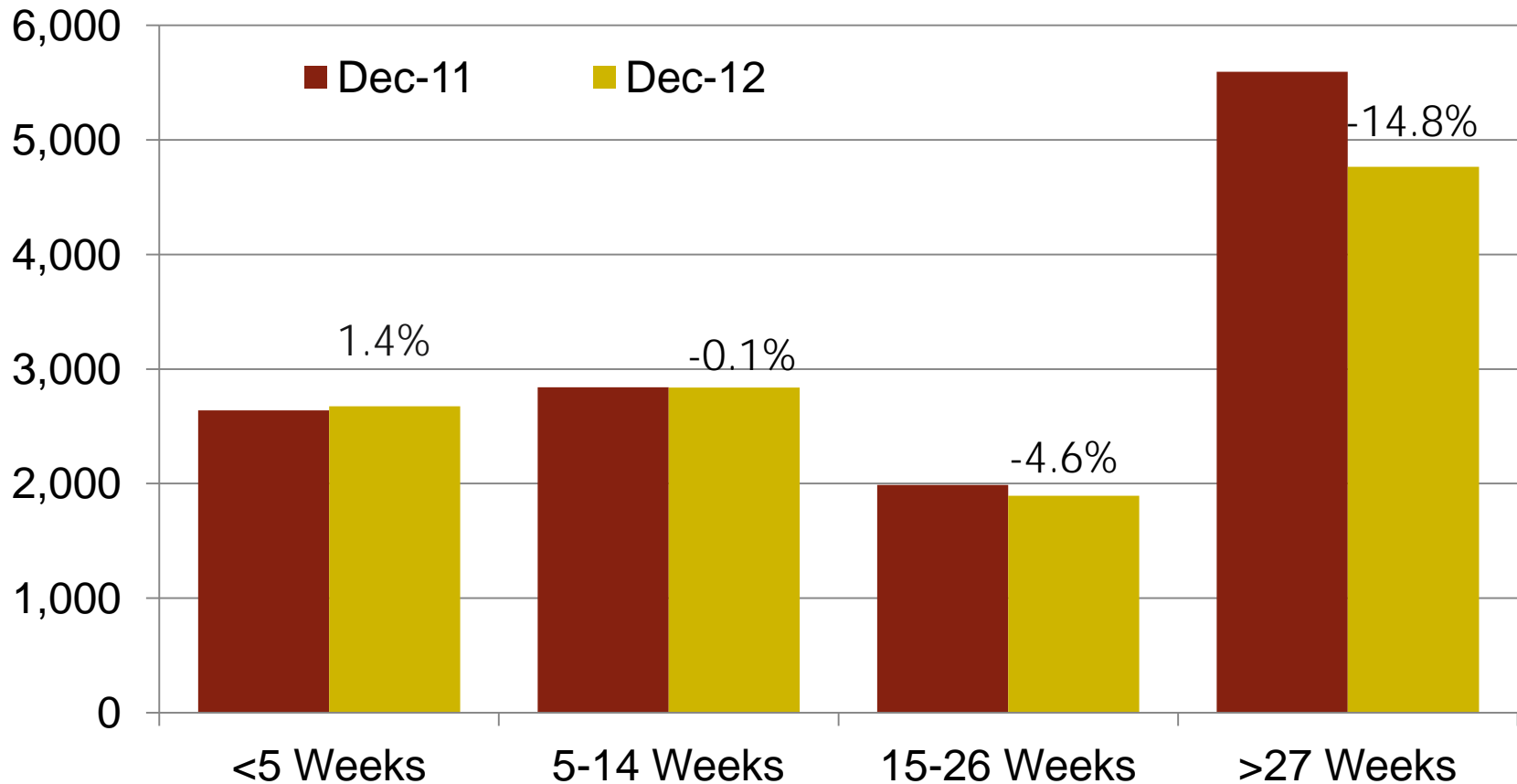
U.S. Unemployment Rate

Seasonally Adjusted, December 2012: 7.8%



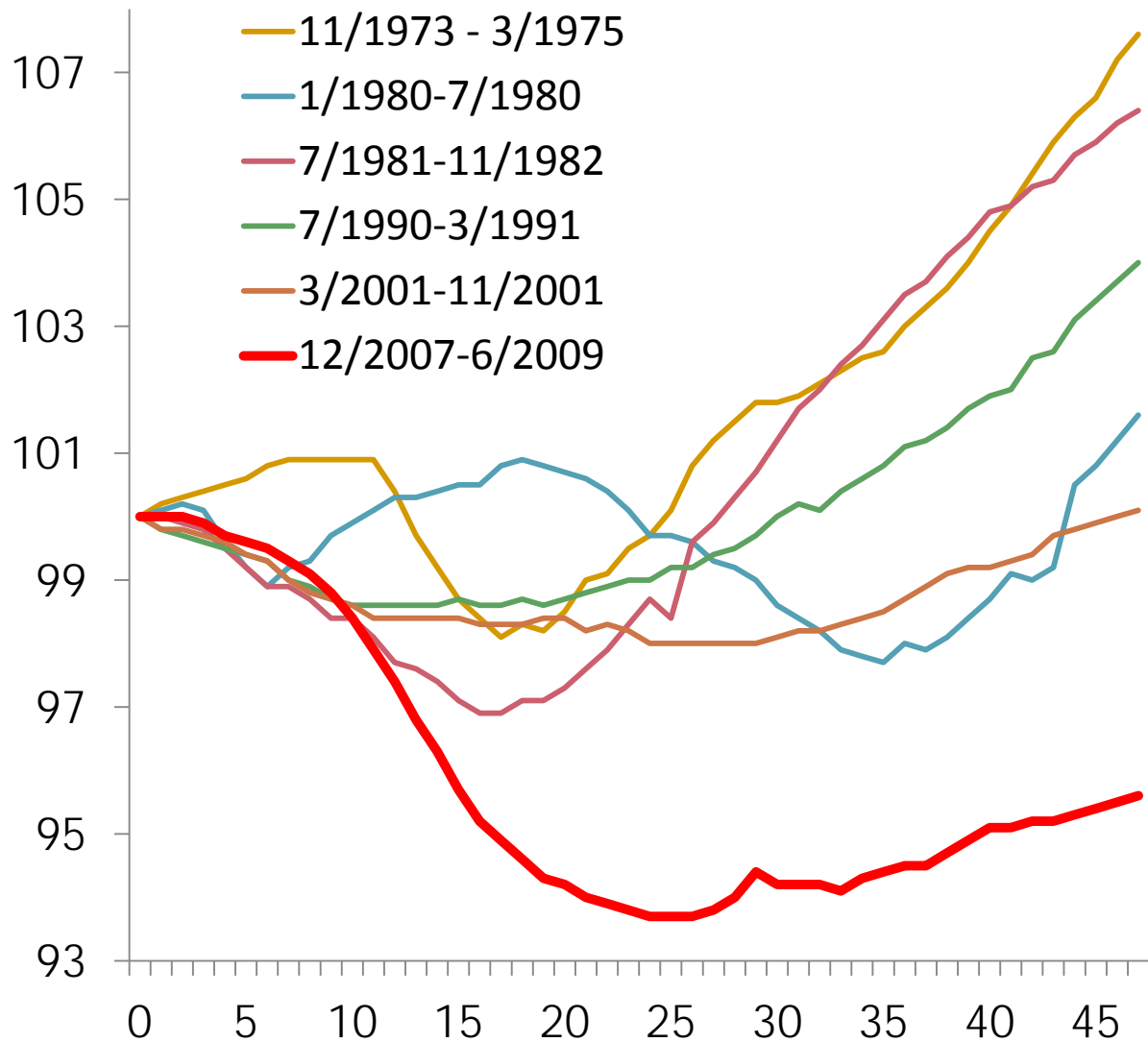
Duration of Unemployment

Thousands of Unemployed persons by duration of unemployment, seasonally adjusted



**Employment Fell
Faster and
Longer than
in Prior
Recessions...**

**...and Recovered
More Slowly!**



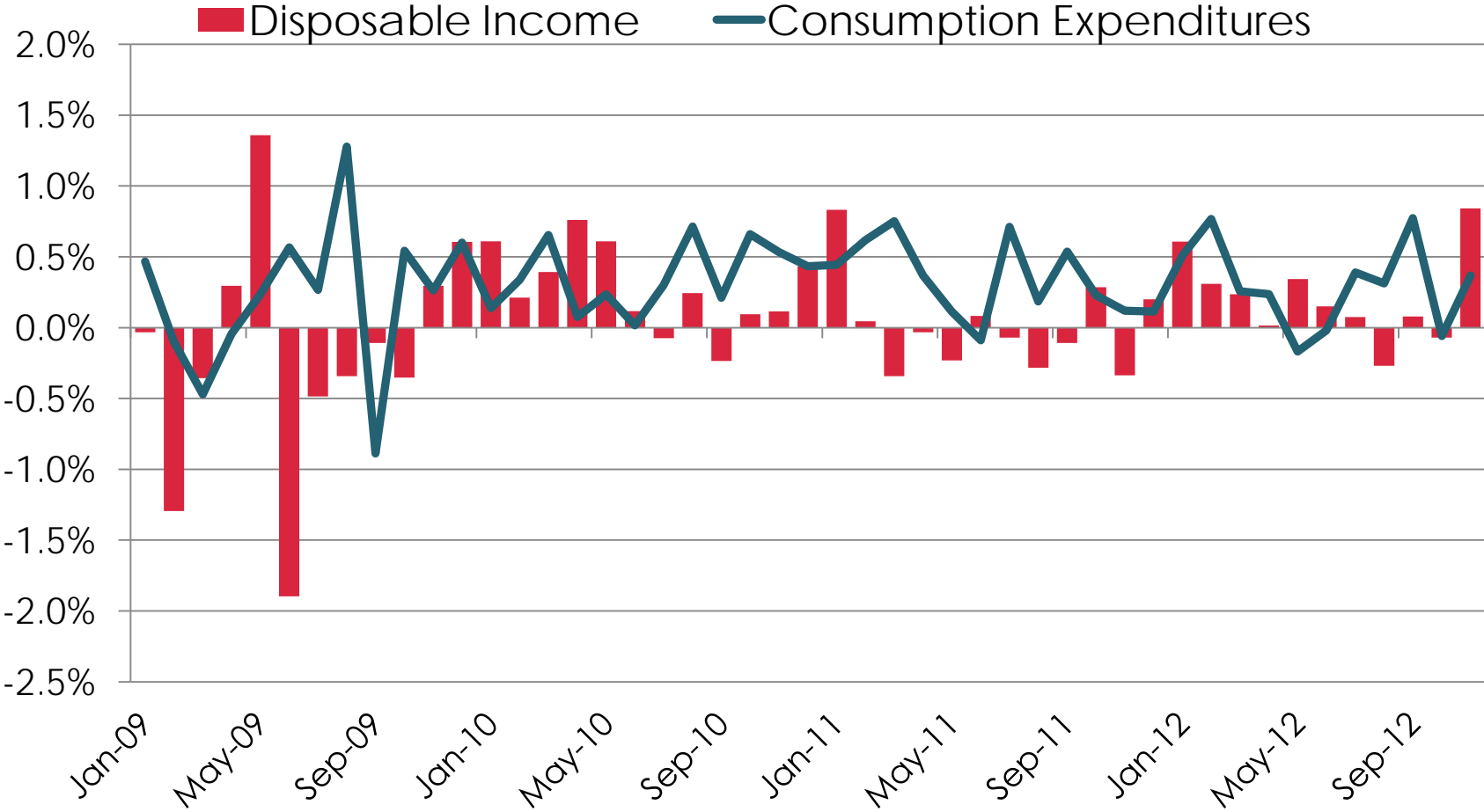
US Retail Trade & Food Sales

Y/Y Percent Change -- November 2012: +3.65%



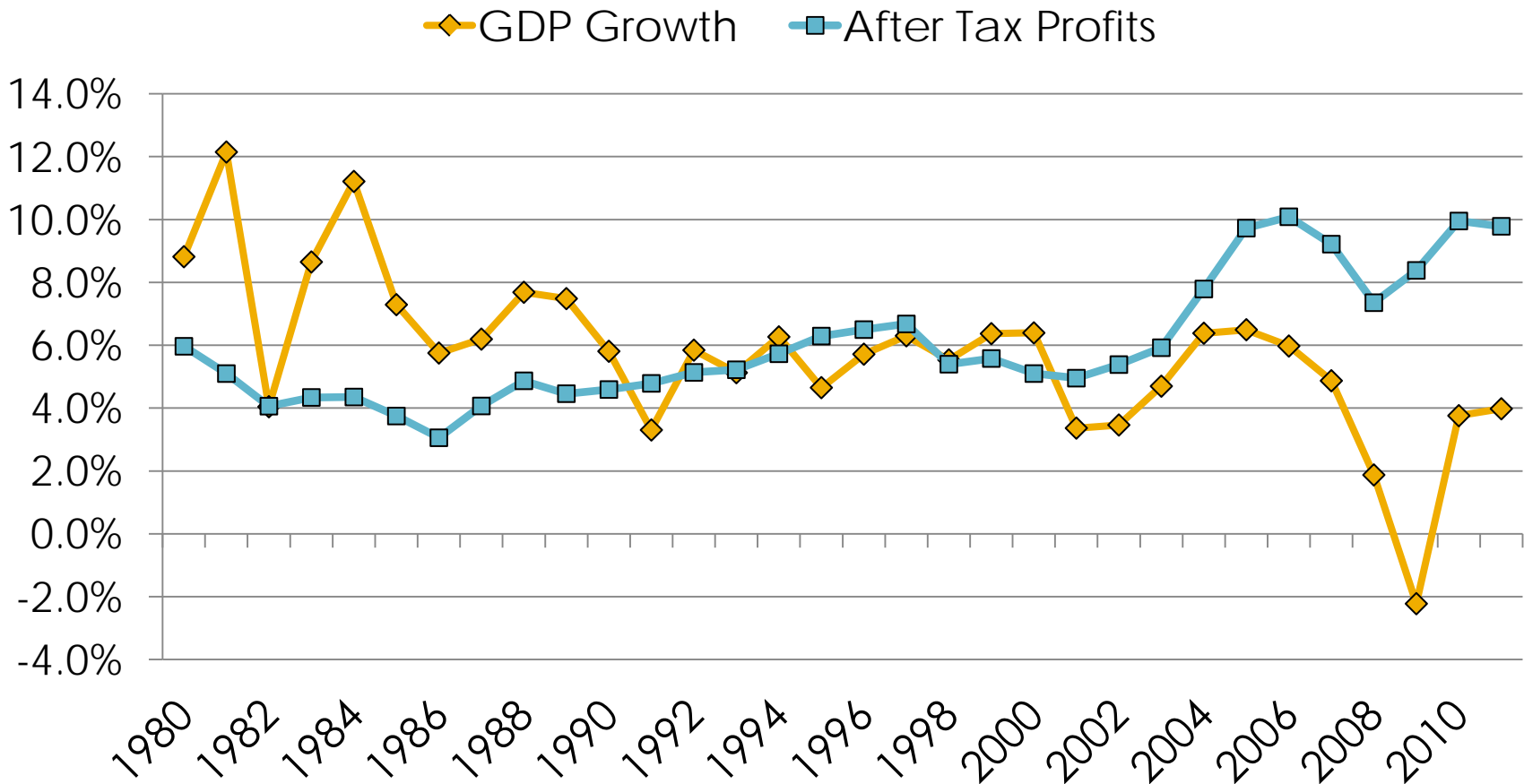
Real Disposable Personal Income

Month-to-Month Annualized % Change



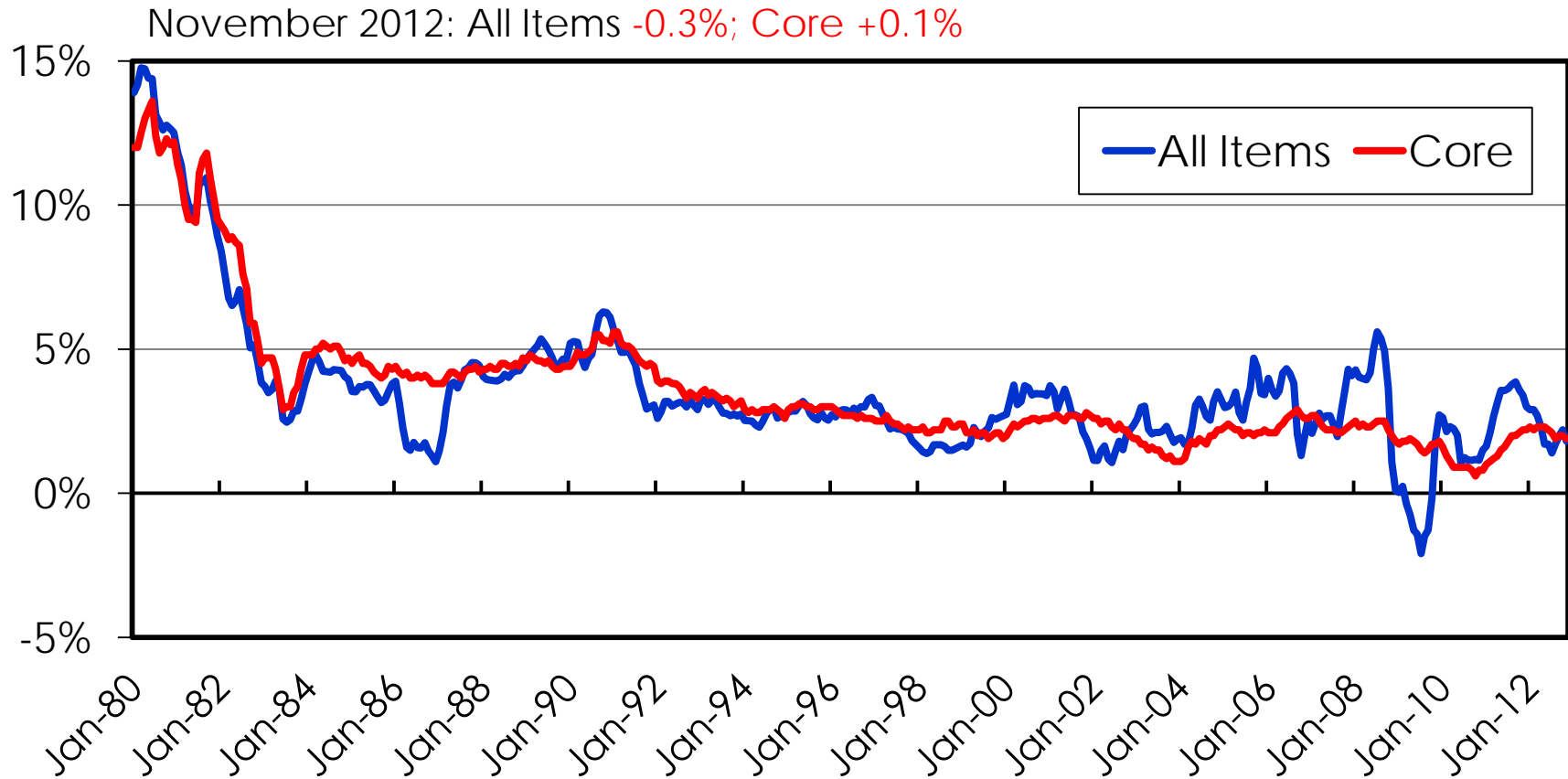
Source: Bureau of Economic Analysis

U.S. Corporate Profits after Tax as % of GDP vs. Year-over GDP Growth



Consumer Price Index

Percent Change from a Year Ago 100 = 1982-1984

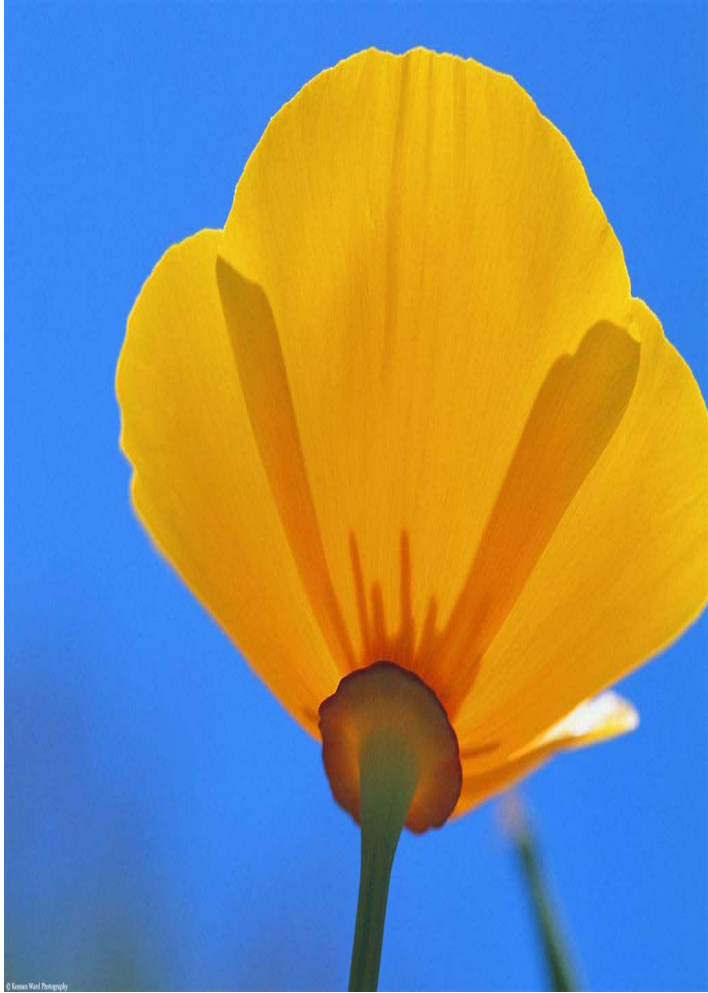


What's Holding The Economy Back?

- ✓ Hesitant Consumers
- ✓ Hesitant Businesses
- ✓ Uncertainty about Global Economy
- ✓ Uncertainty about Economic Policy

U.S. Economic Forecast

	2009	2010	2011	2012f	2013f
GDP – Annual % Change	-3.5%	3.0%	1.7%	2.0%	2.2%
Nonfarm Jobs – Annual % Change	-4.4%	-0.7%	1.2%	1.4%	1.4%
Unemployment Rate	9.2%	9.7%	9.0%	8.2%	8.0%
Consumer Prices – Annual % Change	-0.3%	1.6%	3.2%	2.2%	1.9%
10 –Yr Treasury Note Yield	3.3%	3.2%	2.8%	1.8%	2.2%



California Economy

Economic Comparisons 2010 GDP

USA

Largest Economy in the World

\$14.5 Trillion GDP

California

9th Largest Economy

\$1.9 Trillion GDP

Southern California

16th Largest Economy

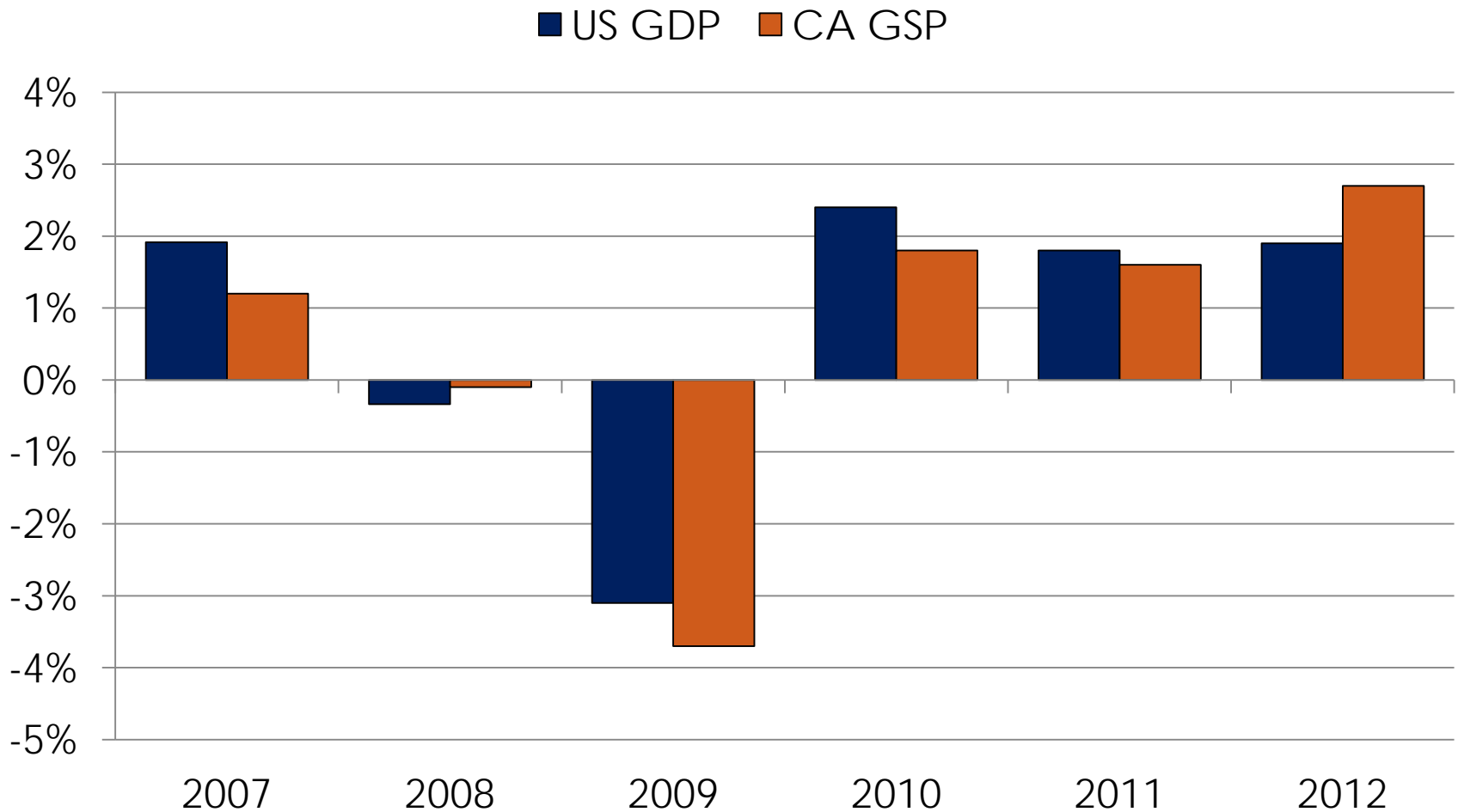
\$881 Billion GDP

Los Angeles County

19th Largest Economy

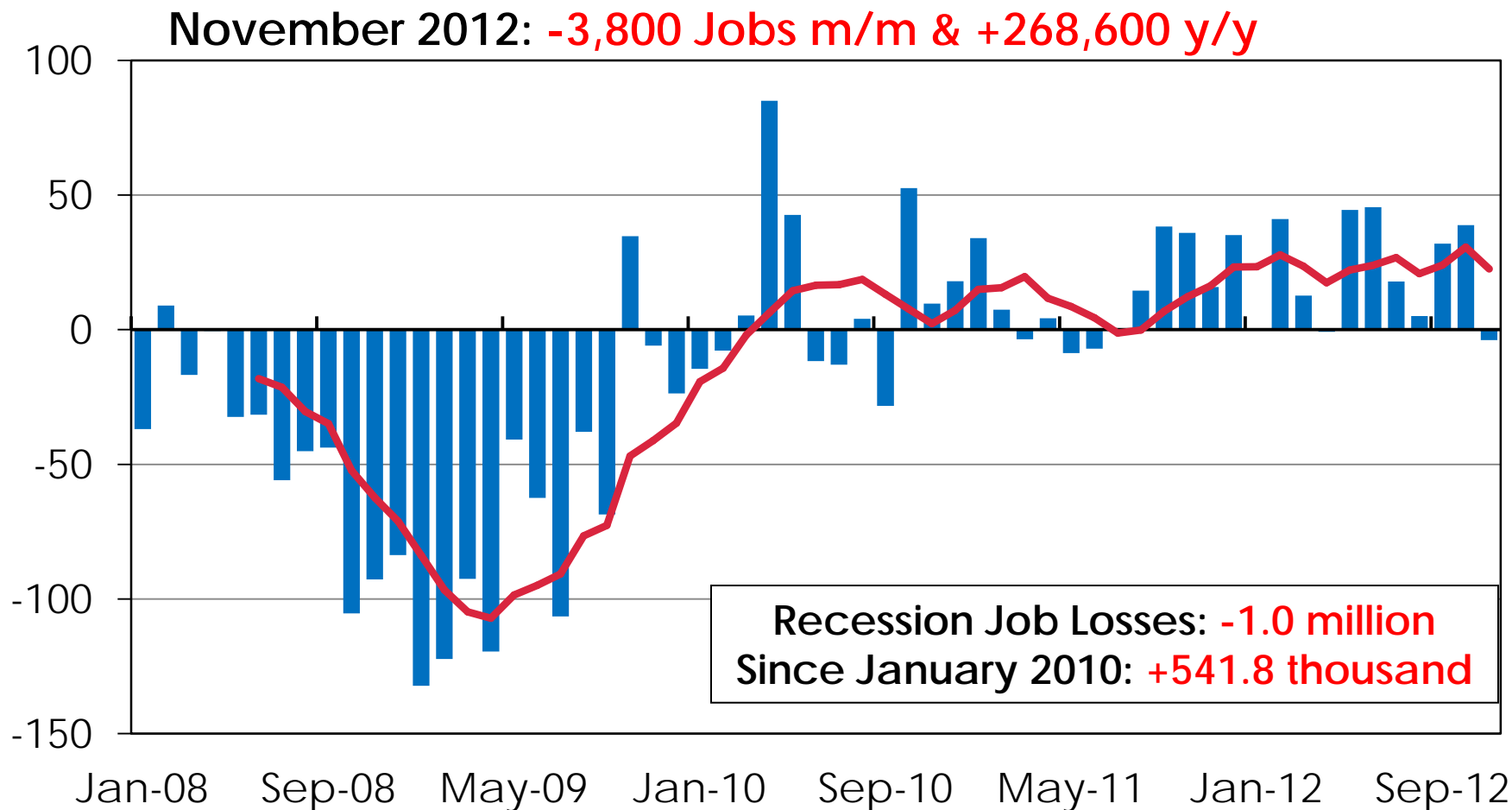
\$543.7 Billion GDP

California Growth Tracks U.S.



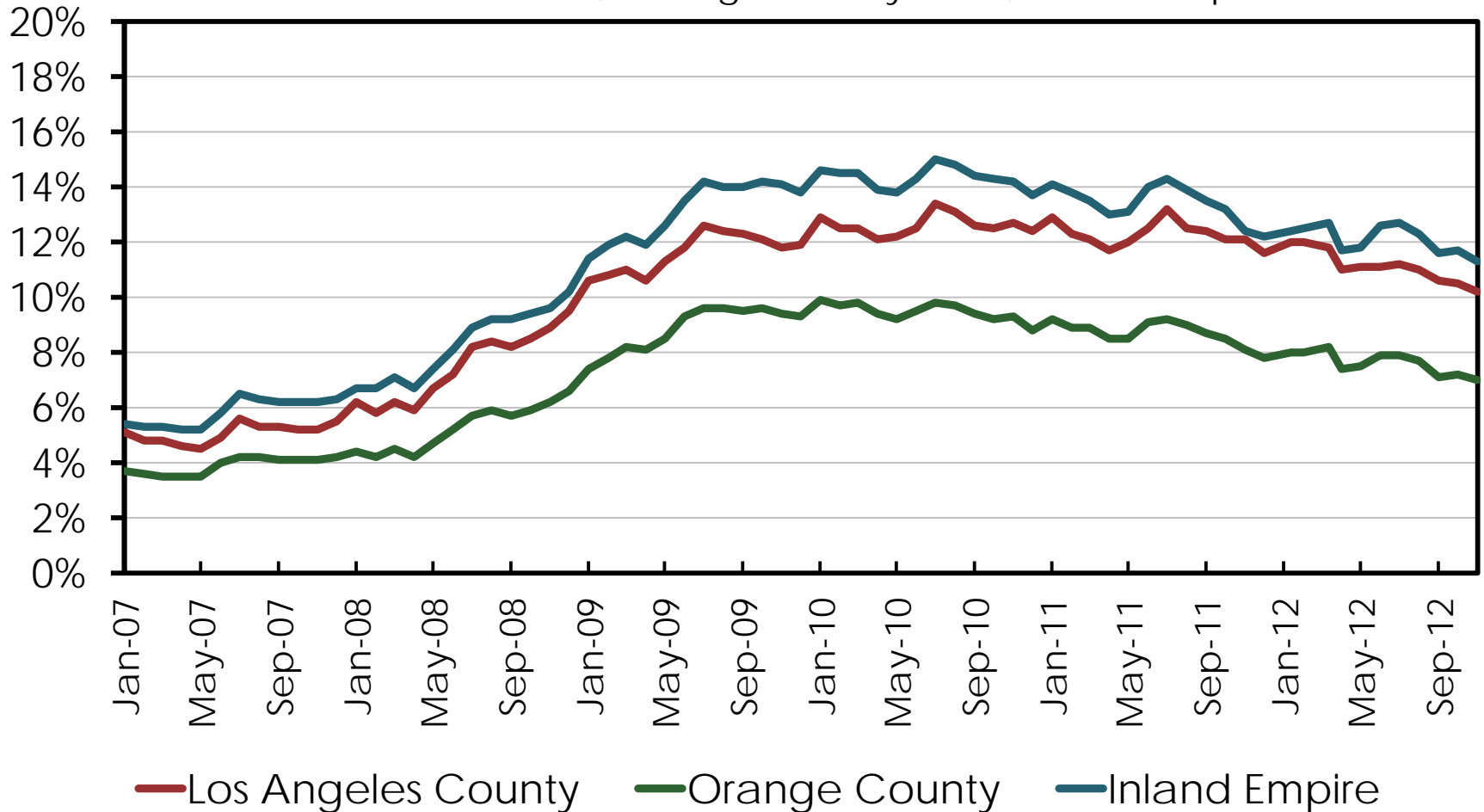
California Non-farm Job Growth

Month to month changes in thousands, seasonally adjusted



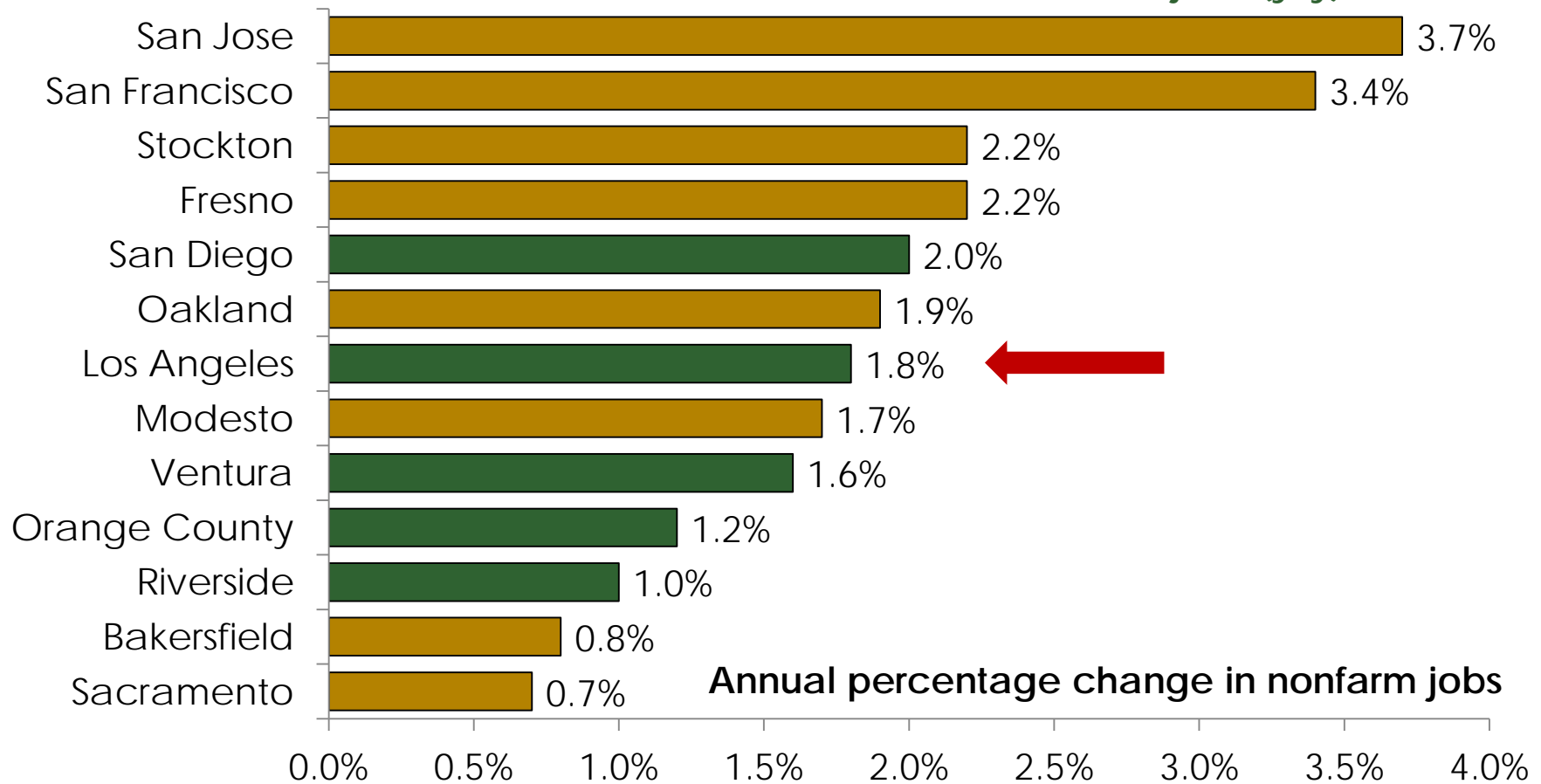
Unemployment Rates

November 2012 LA: 10.2%; Orange County: 7.0%; Inland Empire: 11.3%



Job Trends by California Metro Area

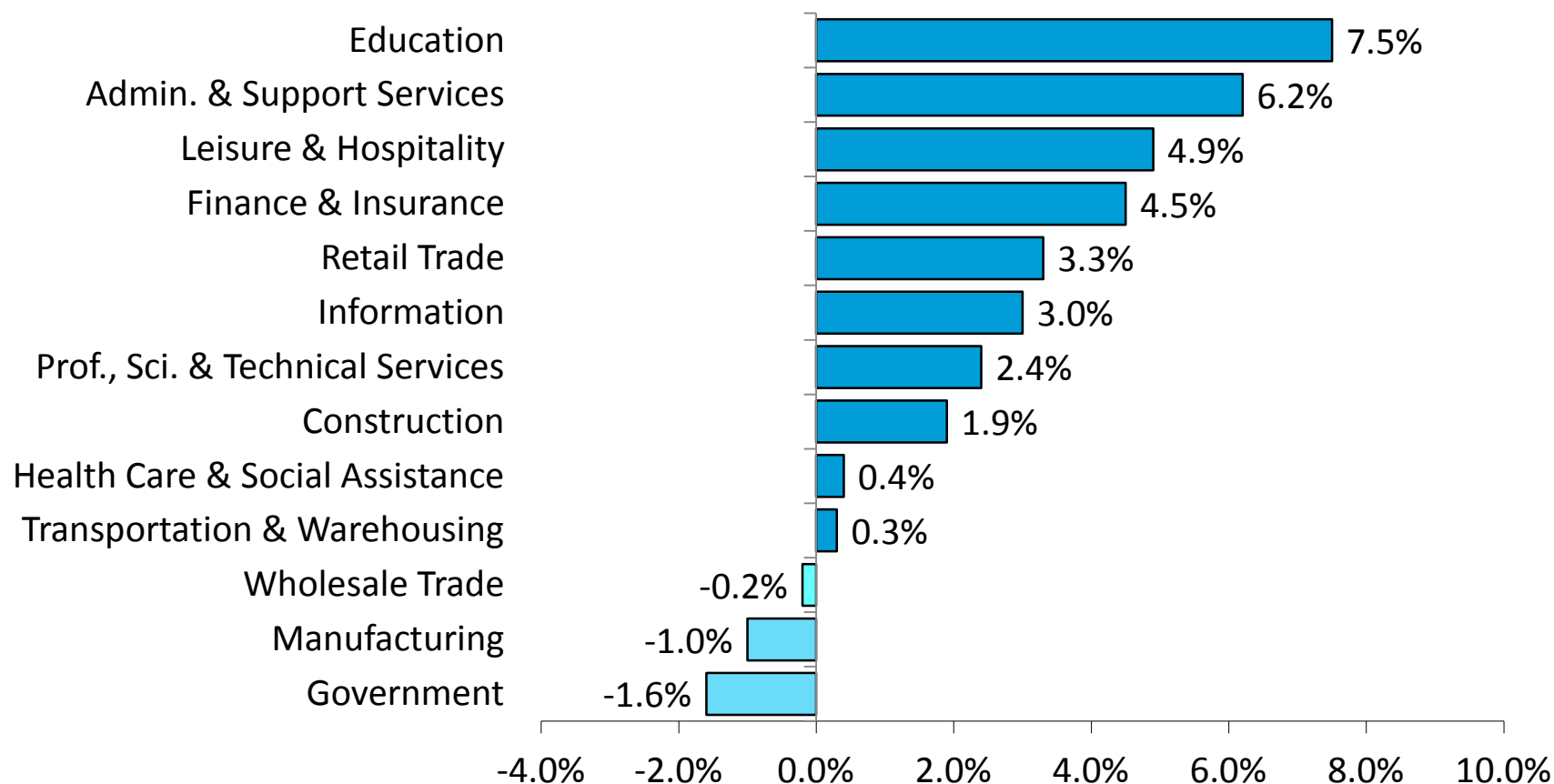
November 2012: CA +1.9%, +268.6 thousand jobs (y/y)



Job Trends by Industry – L.A.

Annual percent change in employment

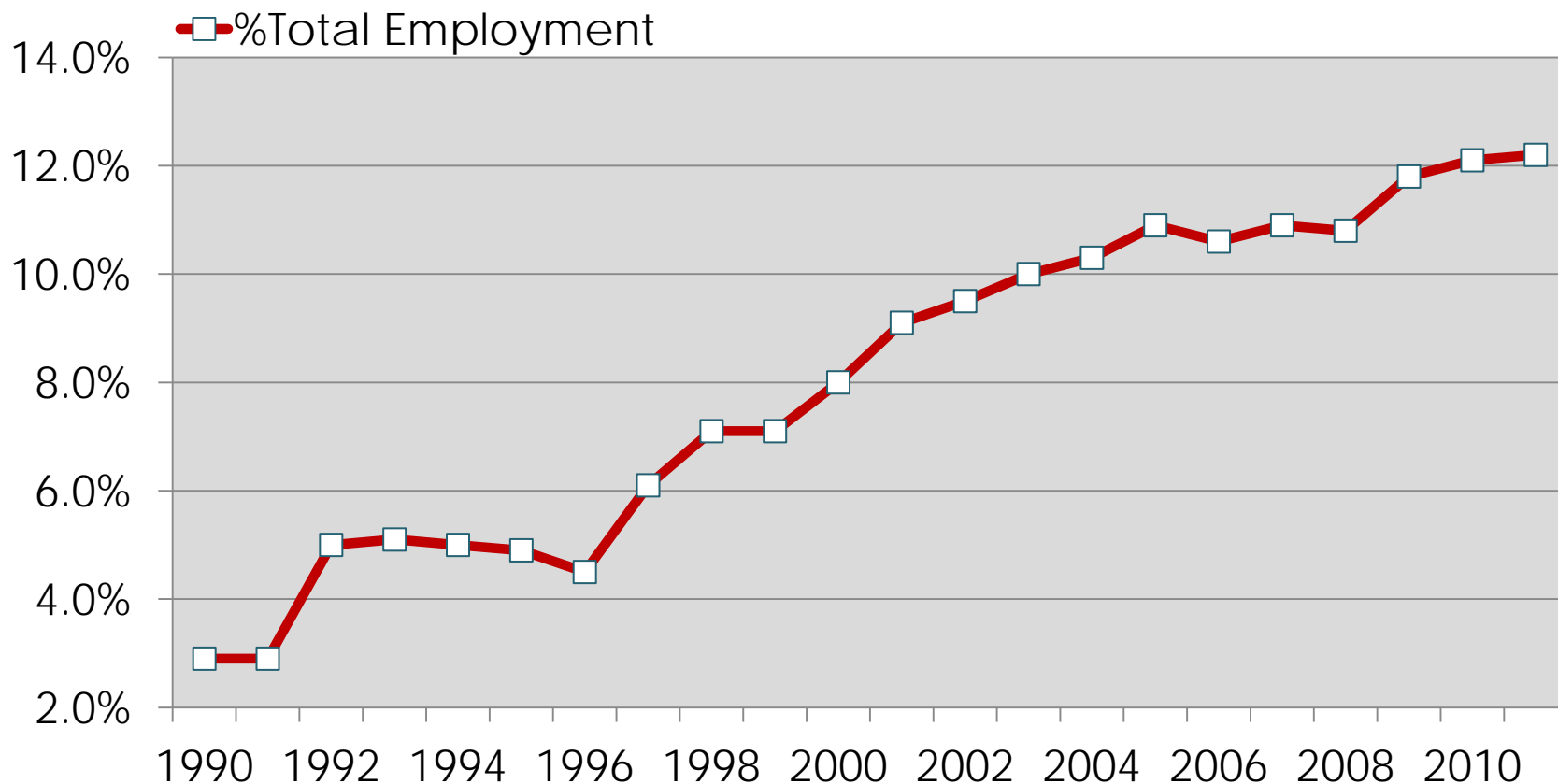
November 2012: Total +1.8%, +68,100 jobs (y/y)



Not All Jobs are McJobs! – LA County

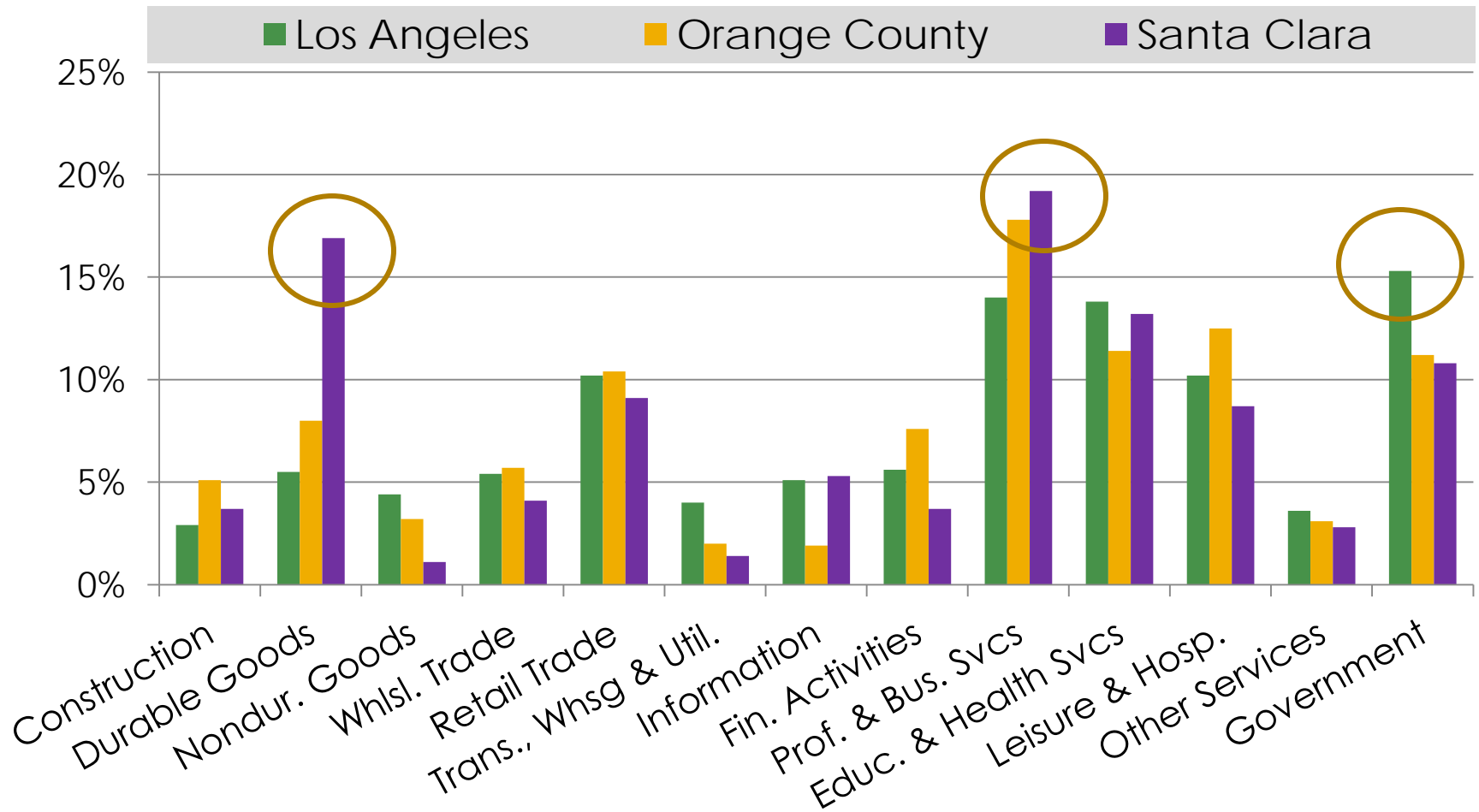
Major Industry	Annual Pay	Job Change y/y
Information	\$87,485	3,400
Financial Activities	\$75,038	5,400
Natural Resources & Mining	\$63,032	200
Professional & Business Services	\$62,058	22,200
Government/Public Administration	\$61,408	(4,800)
Manufacturing	\$56,537	(6,400)
Wholesale Trade	\$53,906	900
Transportation & Utilities	\$53,327	2,200
Construction	\$52,258	7,700
All Industries	\$51,548	58,900
Education & Health Services	\$48,705	11,500
Retail Trade	\$30,788	2,500
Leisure & Hospitality	\$28,377	13,800
Other Services	\$22,667	300

Growth in Non-wage/salary Employment in L.A. County



Industry Differences by County

Based on 3-Year Average of Annual Employment by Industry 2009-2011



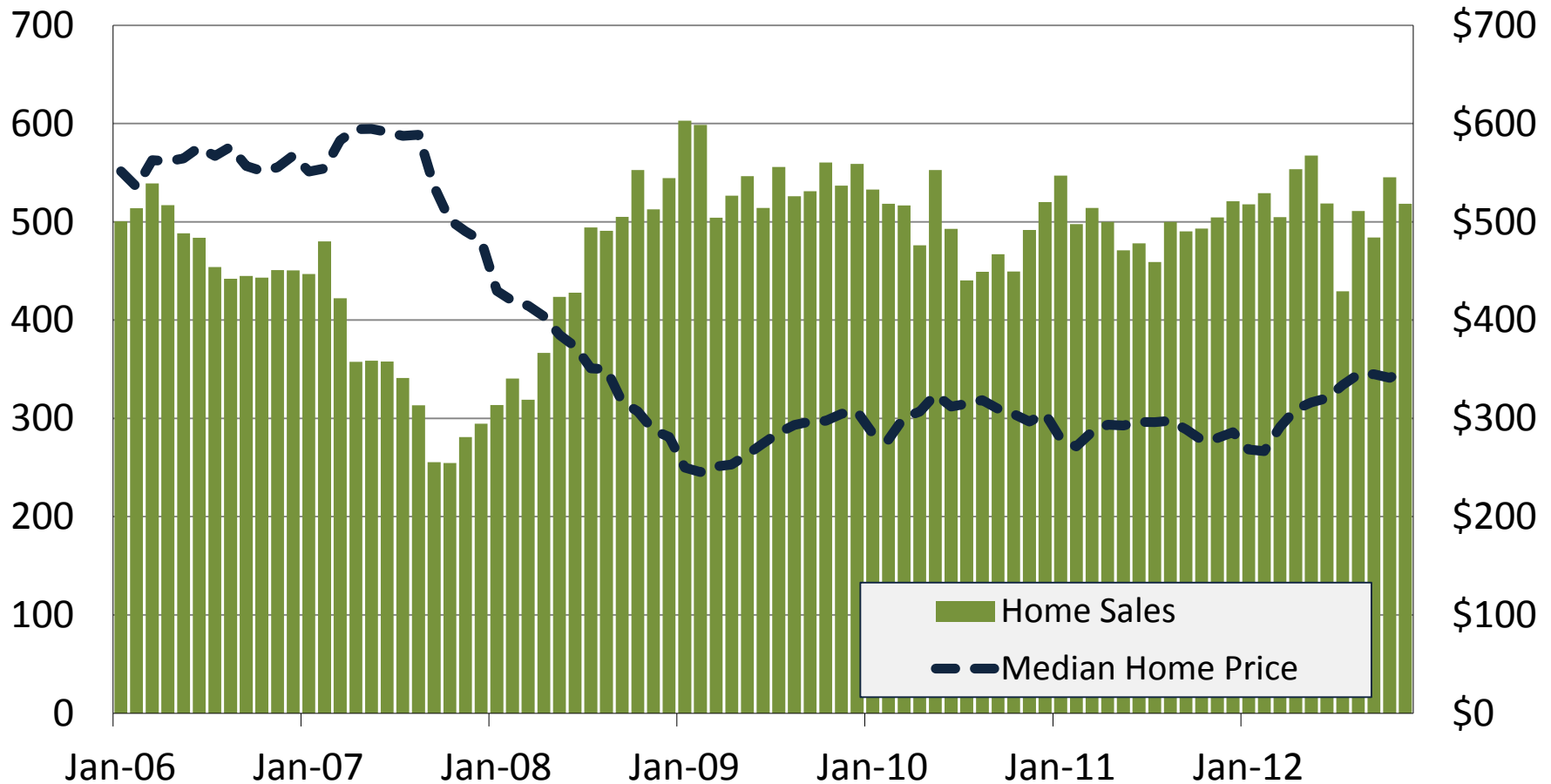
Education by County

County	% High School	% Bachelors or Higher
Los Angeles	75.9	29.0
Orange	83.3	36.0
Santa Clara	96.3	45.3
California	80.7	30.1

Existing Single Family Home Sales & Median Prices, California

Sales, Thousands, SAAR

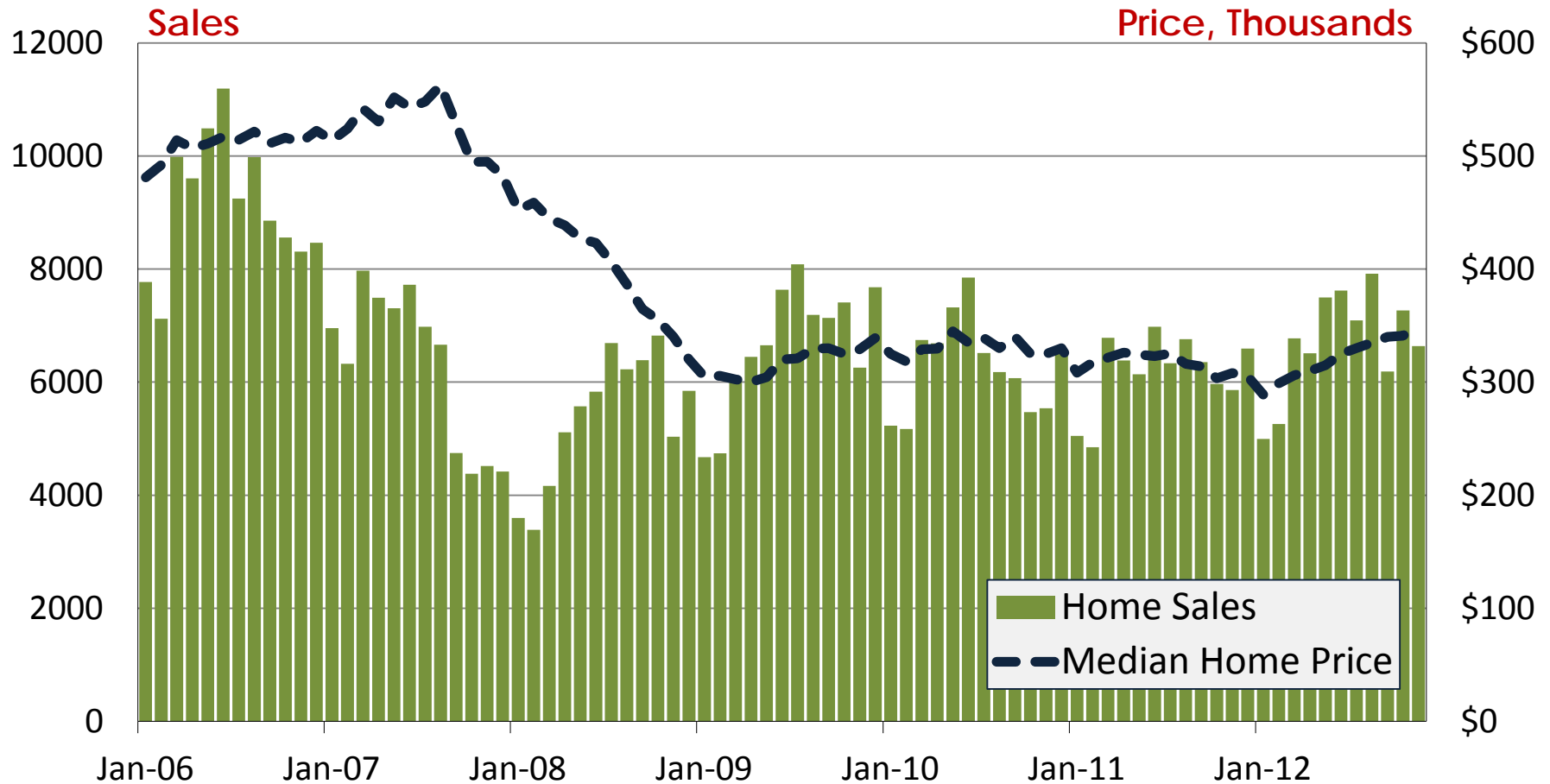
Price, Thousands



Home Sales & Median Prices

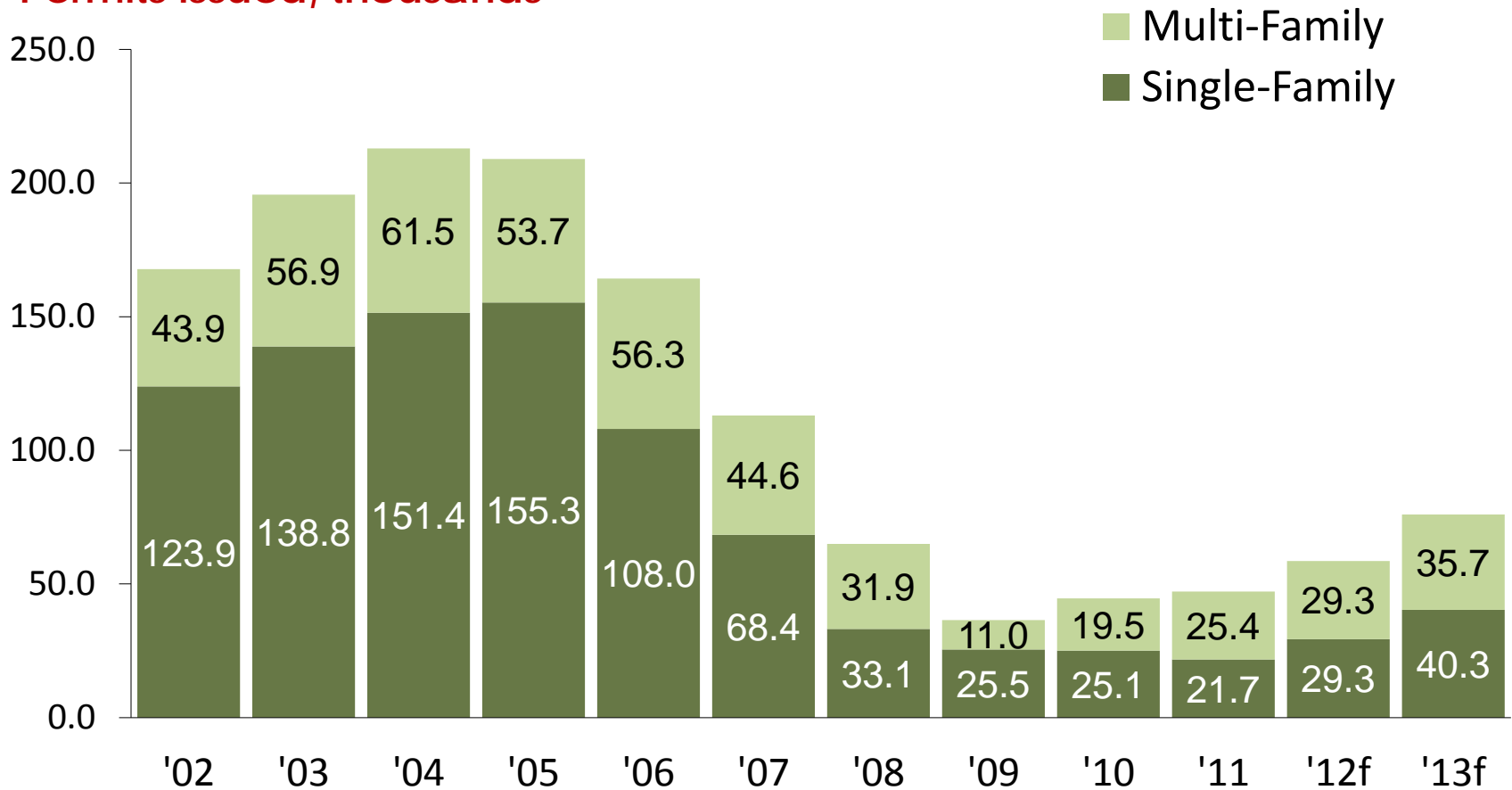
Los Angeles County

New and existing, single-family homes and condos

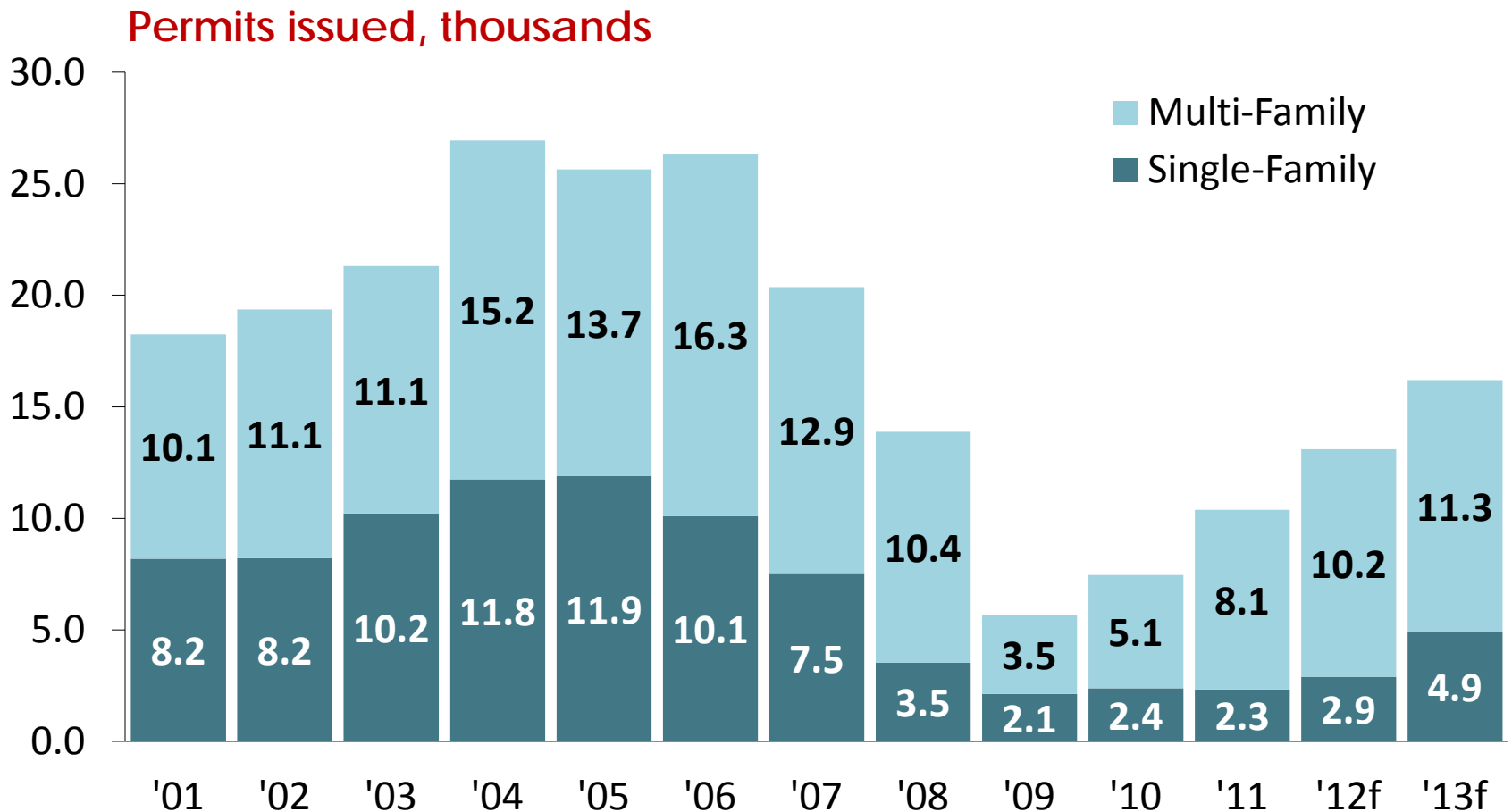


Residential Building Permits Issued in California

Permits issued, thousands



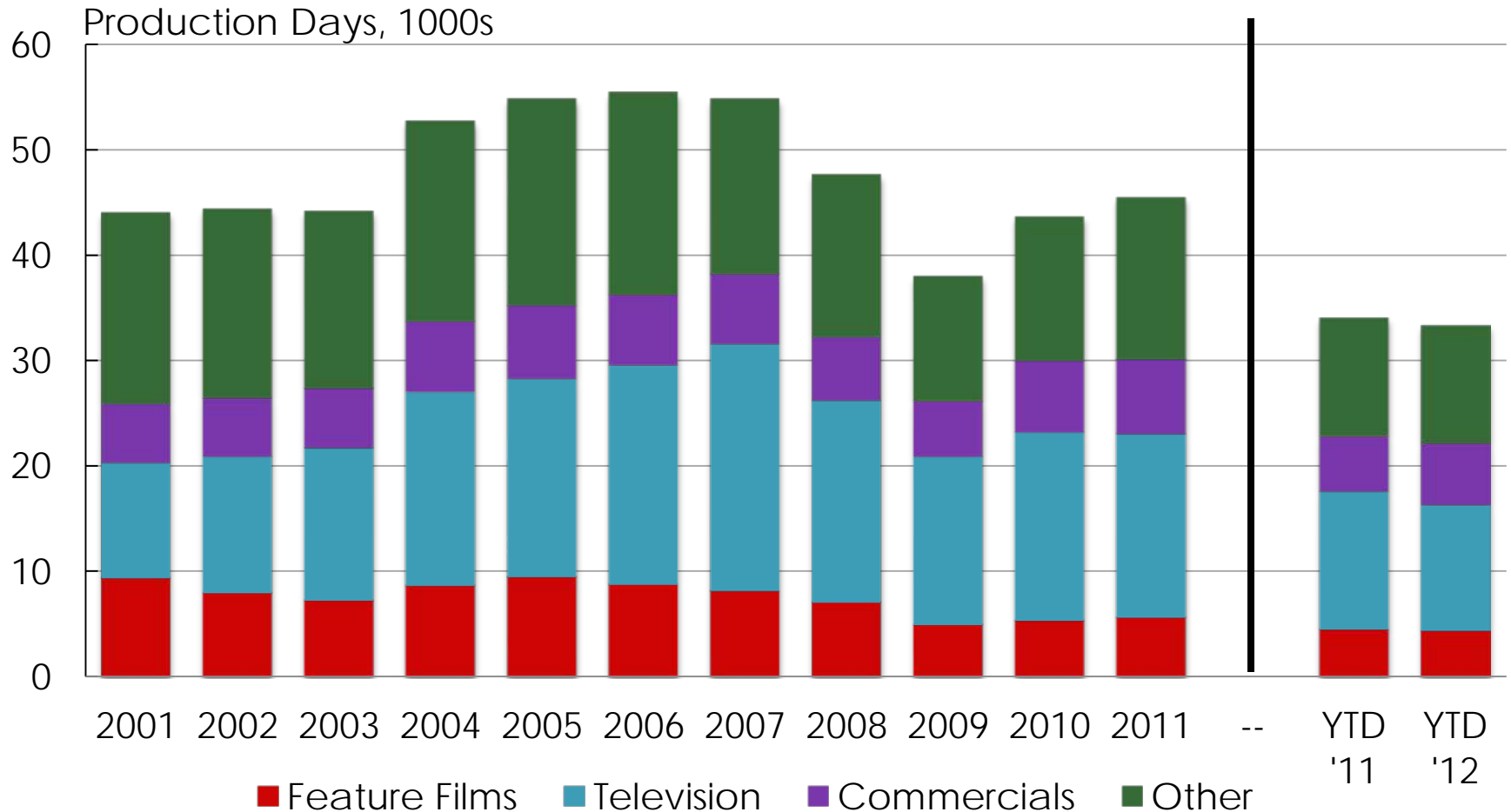
Residential Building Permits Issued in Los Angeles County



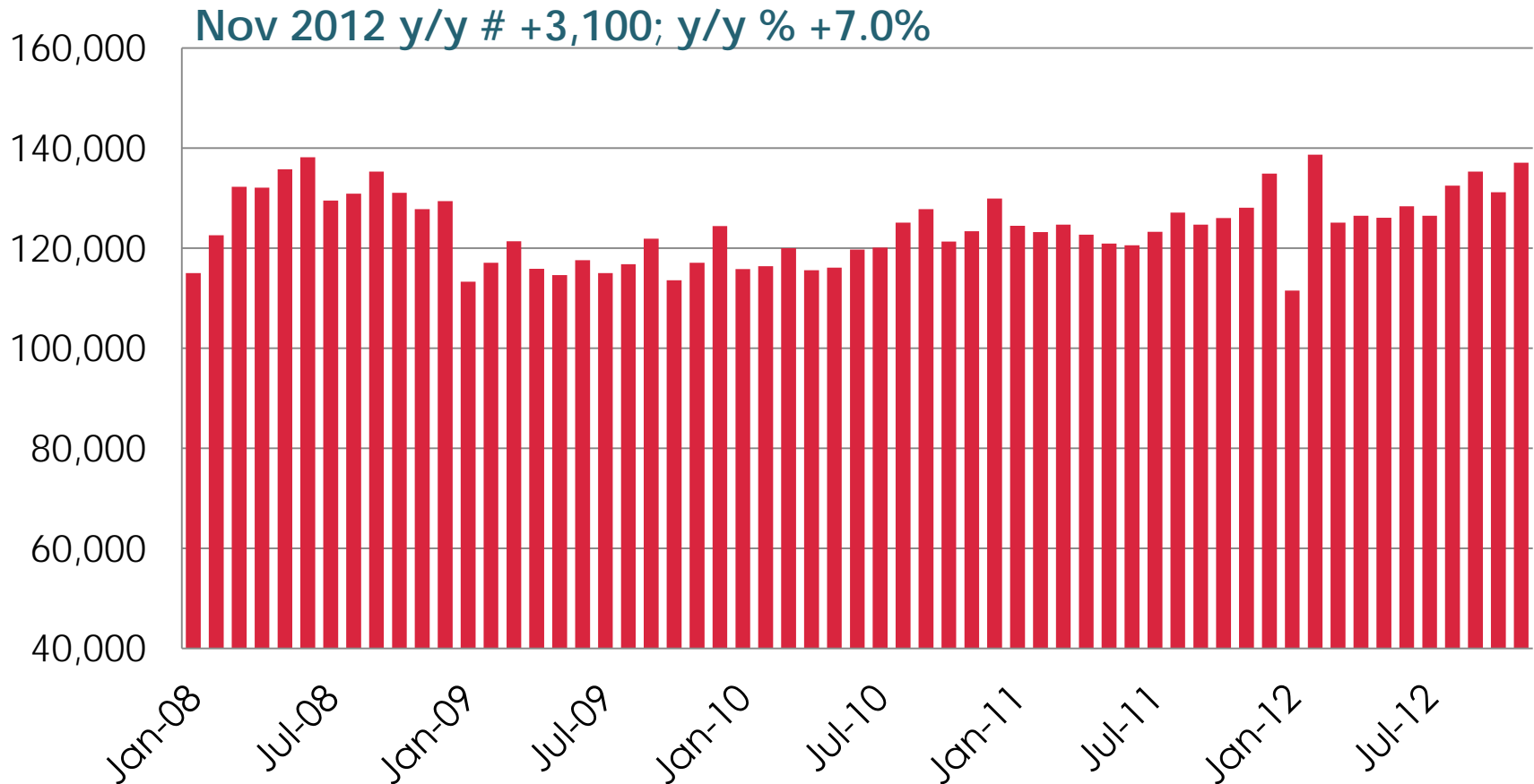
Major Industries in Los Angeles County

- Entertainment
- Trade
- Business Services
- Private Education Institutions
- Aerospace & Analytical Instruments
- Fashion & Apparel Manufacturing
- Hospitality
- Local Serving: Retail, Medical

On-Location Film Production Days by Type

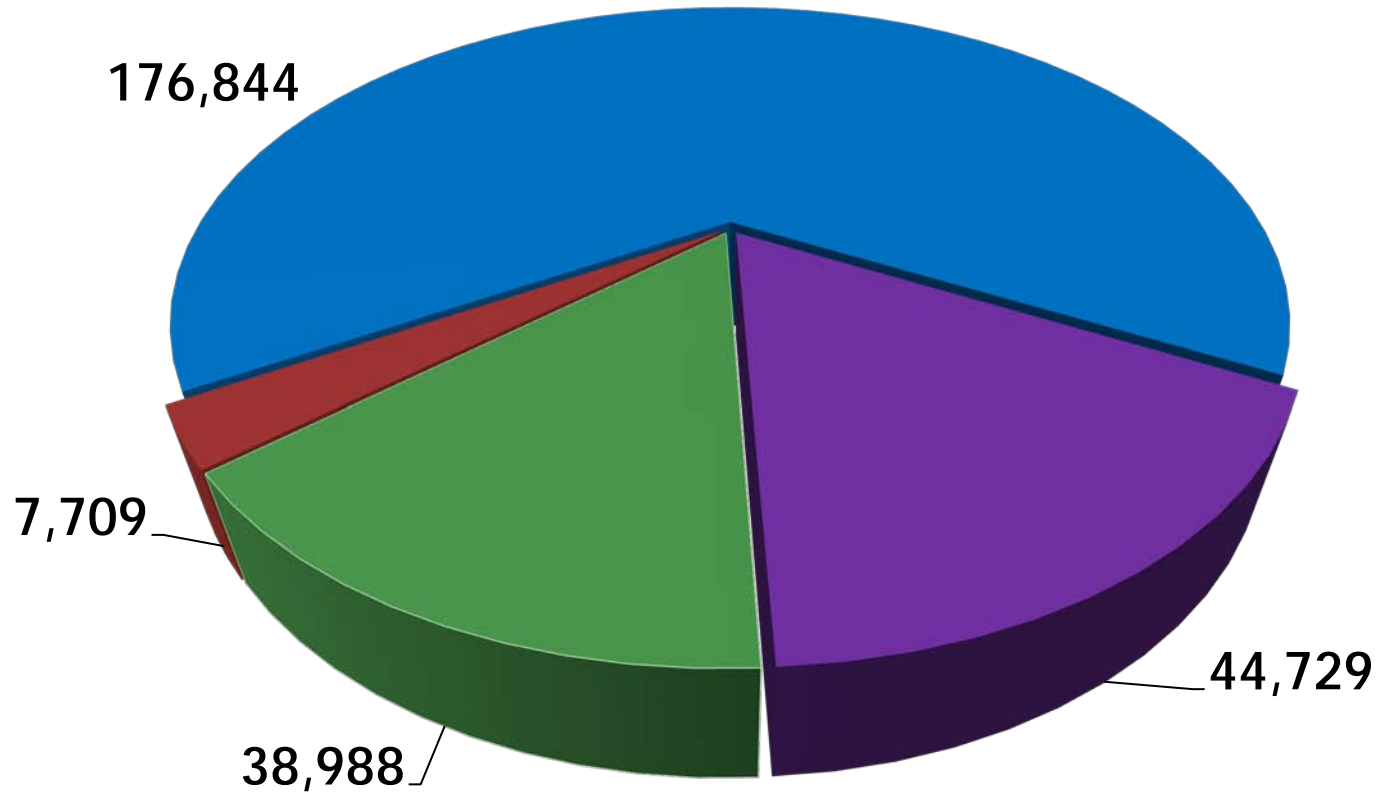


L.A. County Motion Picture & Sound Recording Employment

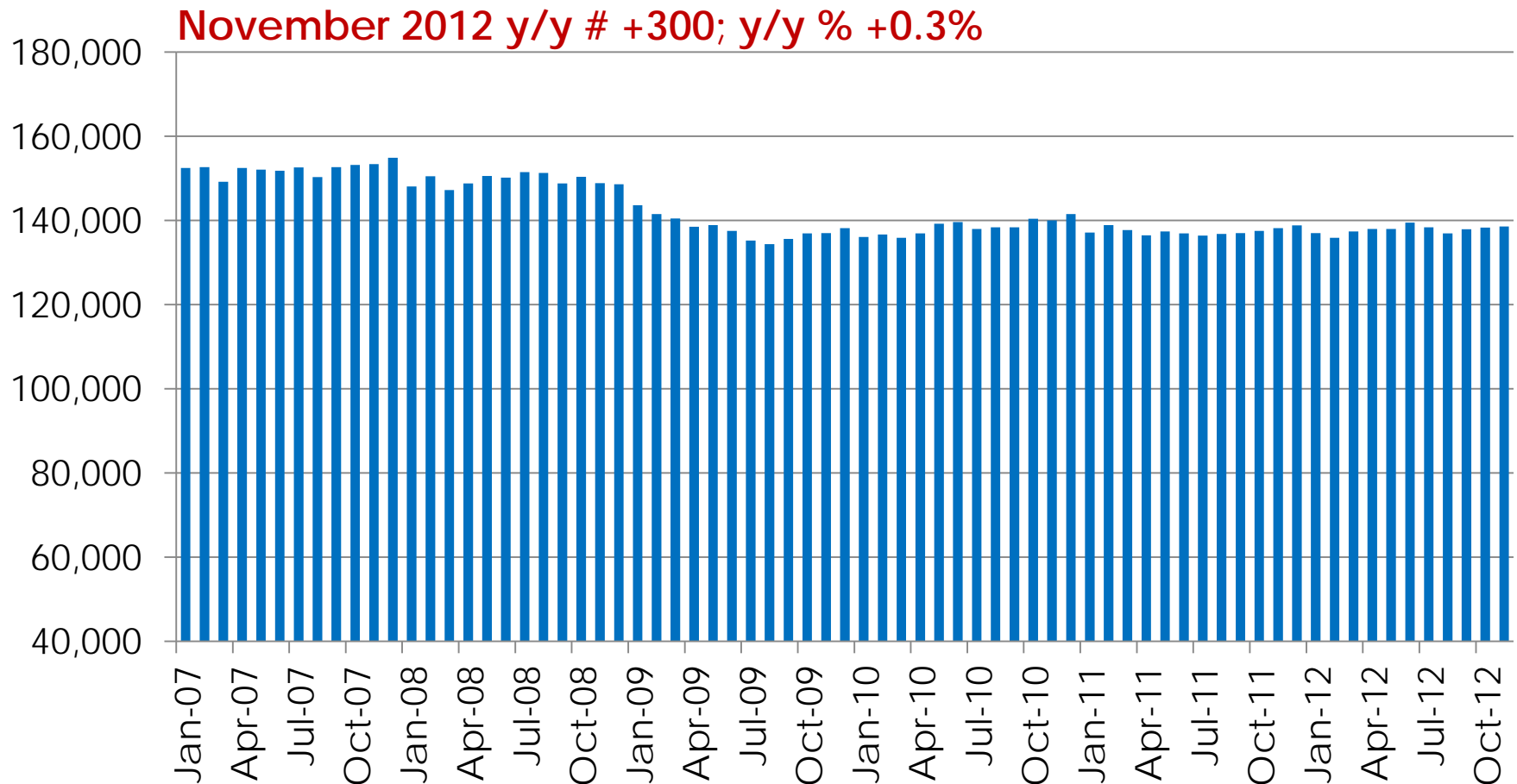


International Trade-Related Employment in LA 5 County Area

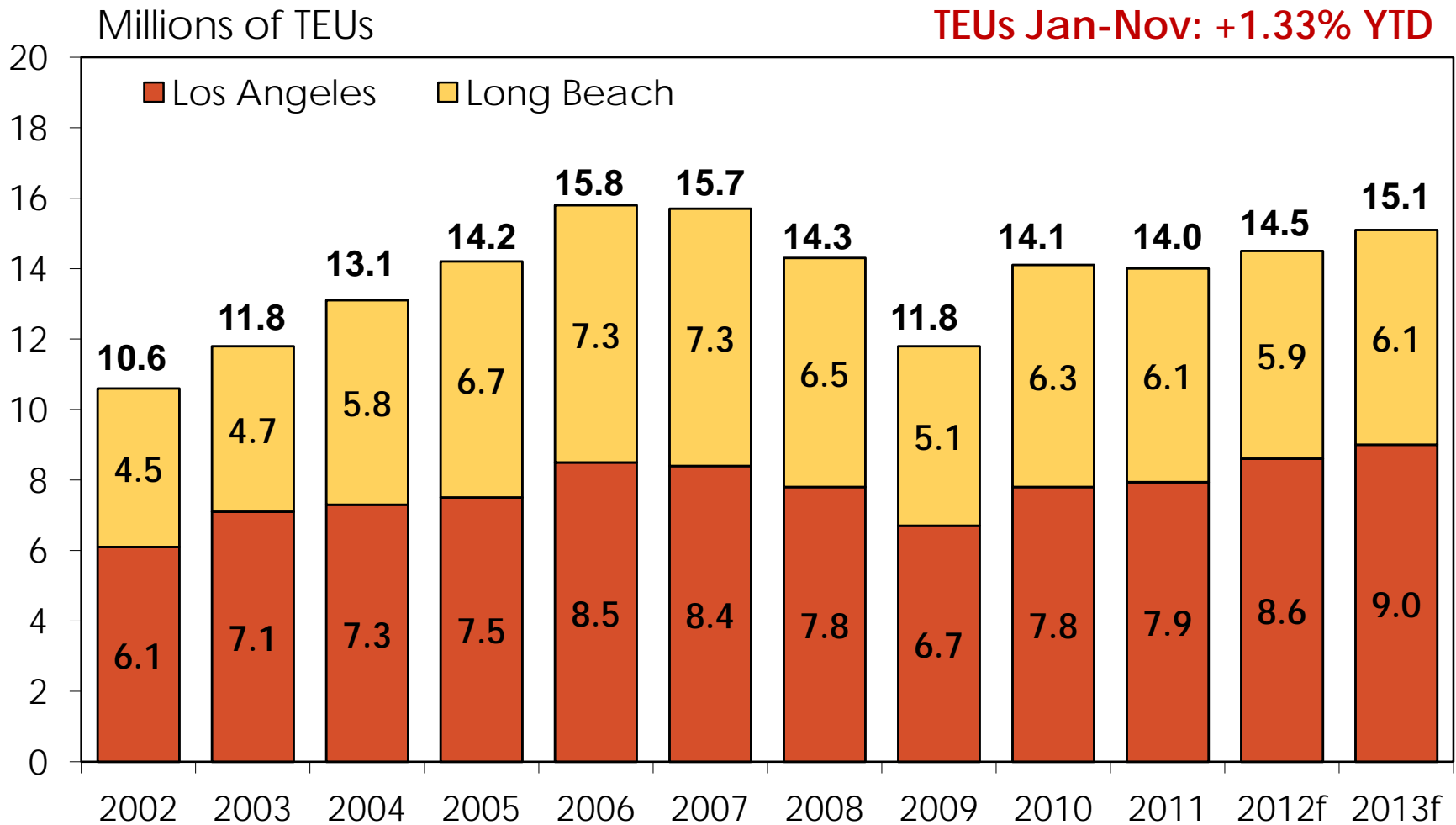
■ Los Angeles County ■ Orange County ■ Inland Empire ■ Ventura County



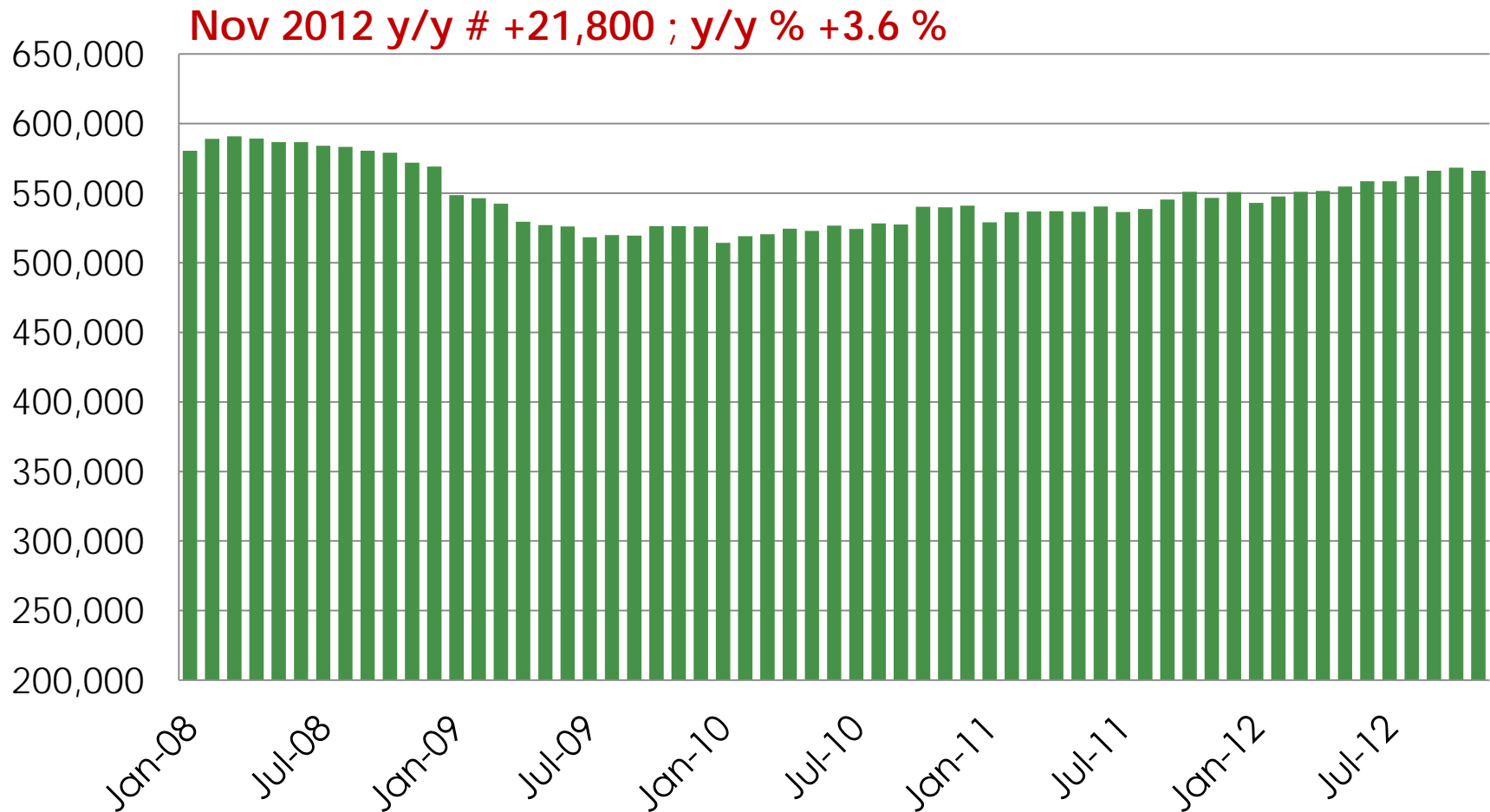
L.A. County Transportation & Warehousing Employment



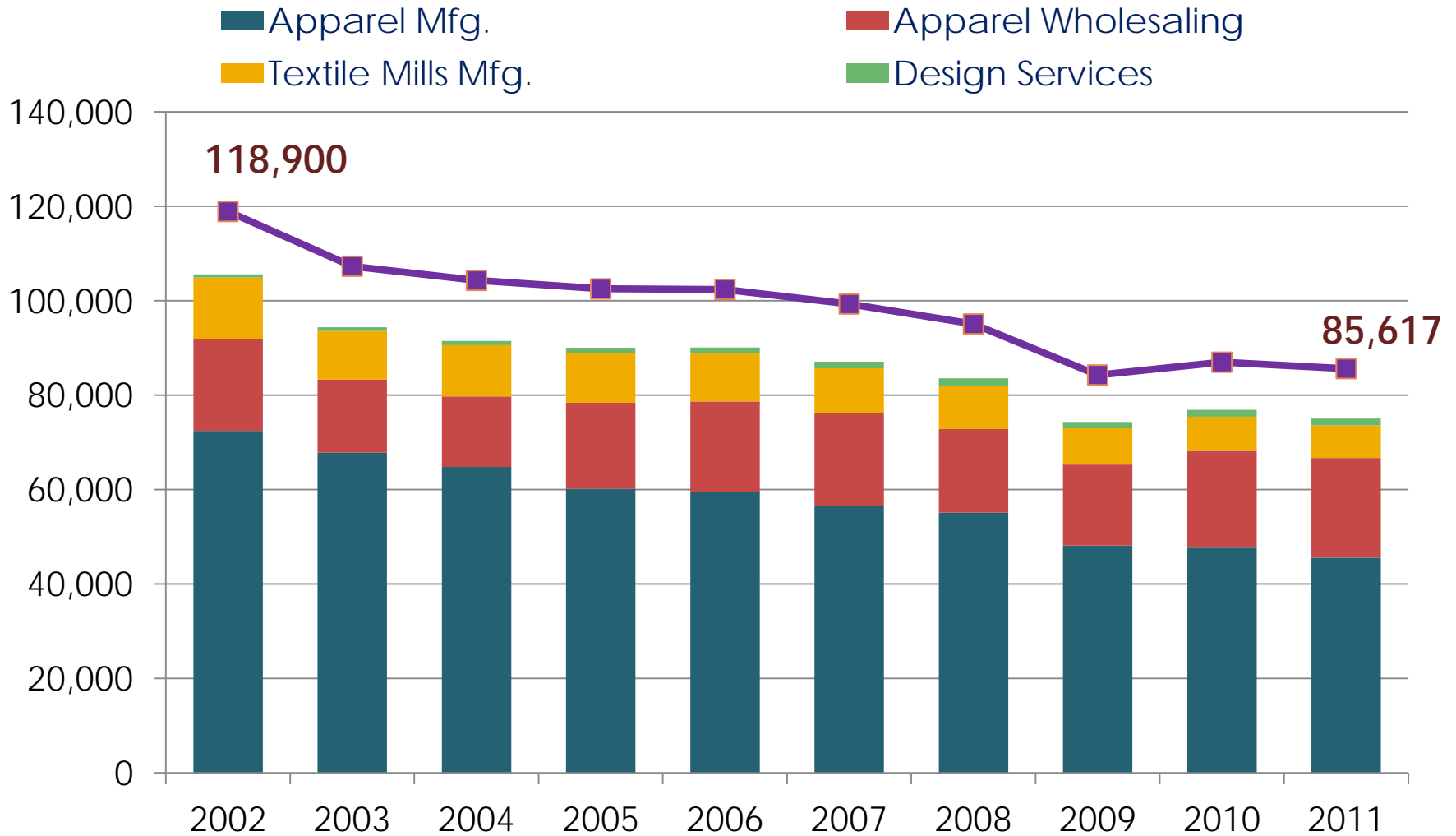
TEU Throughout LA-LB Ports



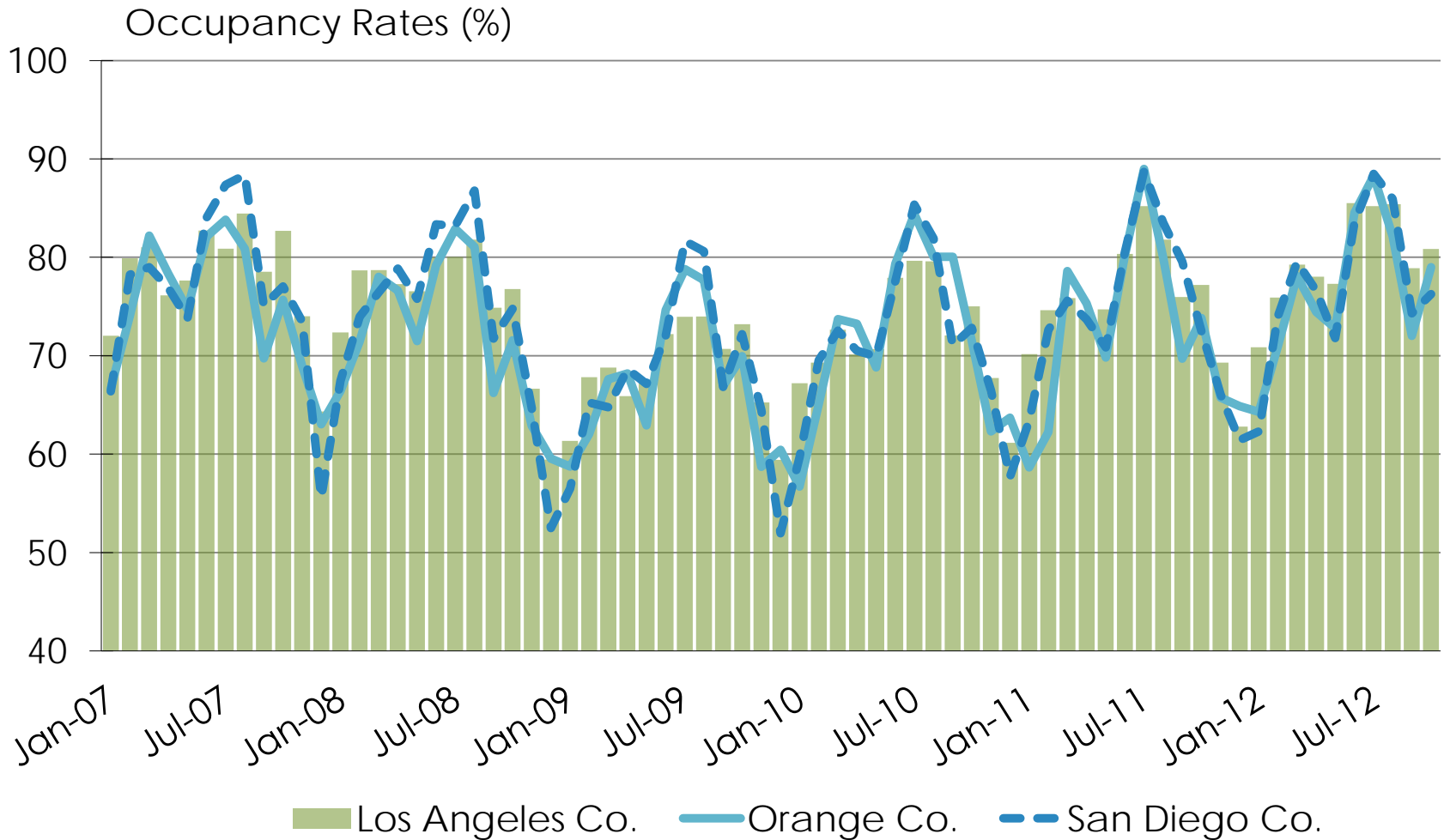
L.A. County Professional & Business Services Employment



L.A. County Apparel Mfg. Employment

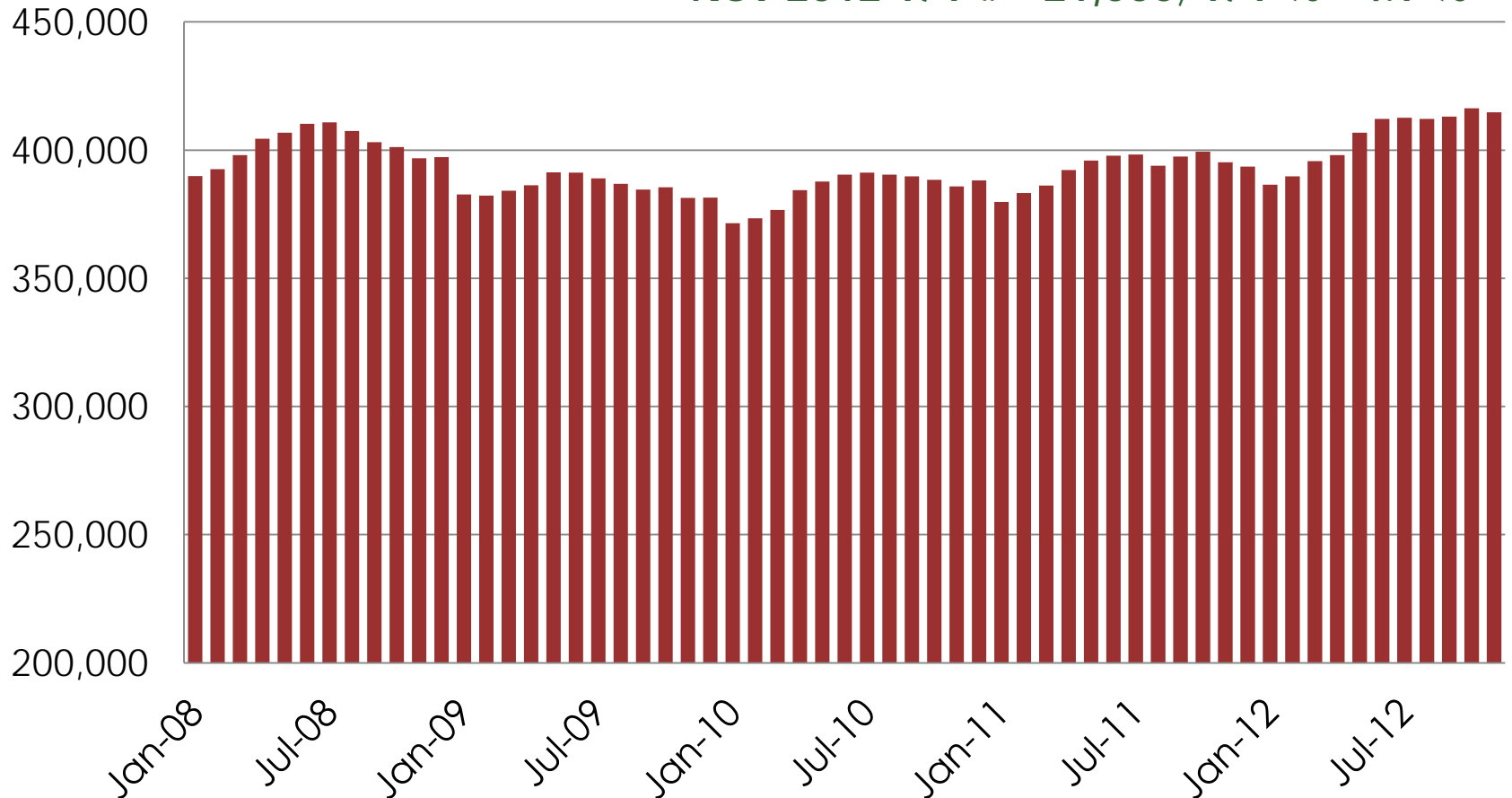


Hotel Occupancy Rates



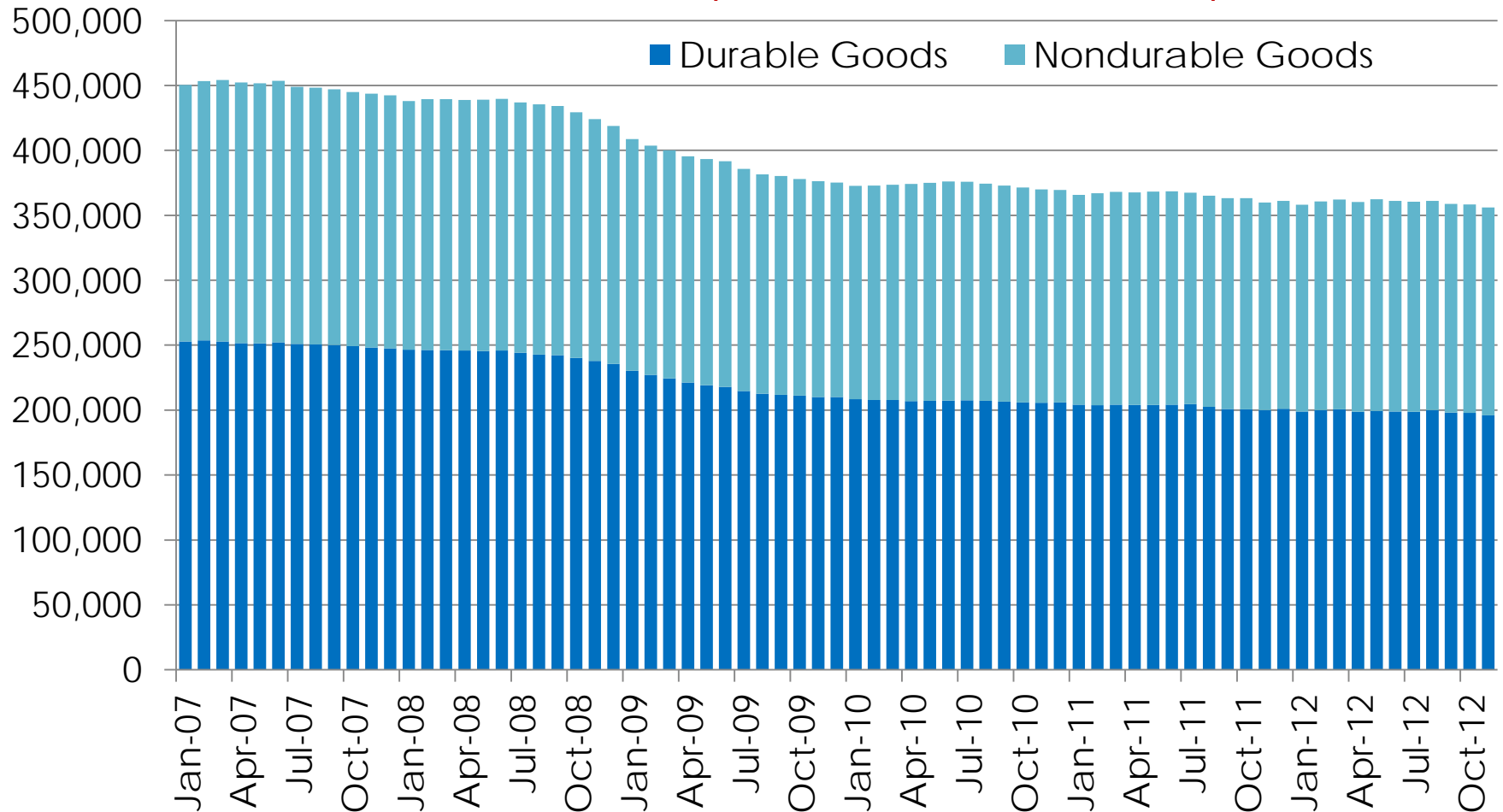
L.A. County Leisure & Hospitality Employment

Nov 2012 Y/Y # +21,000; Y/Y % +4.9 %



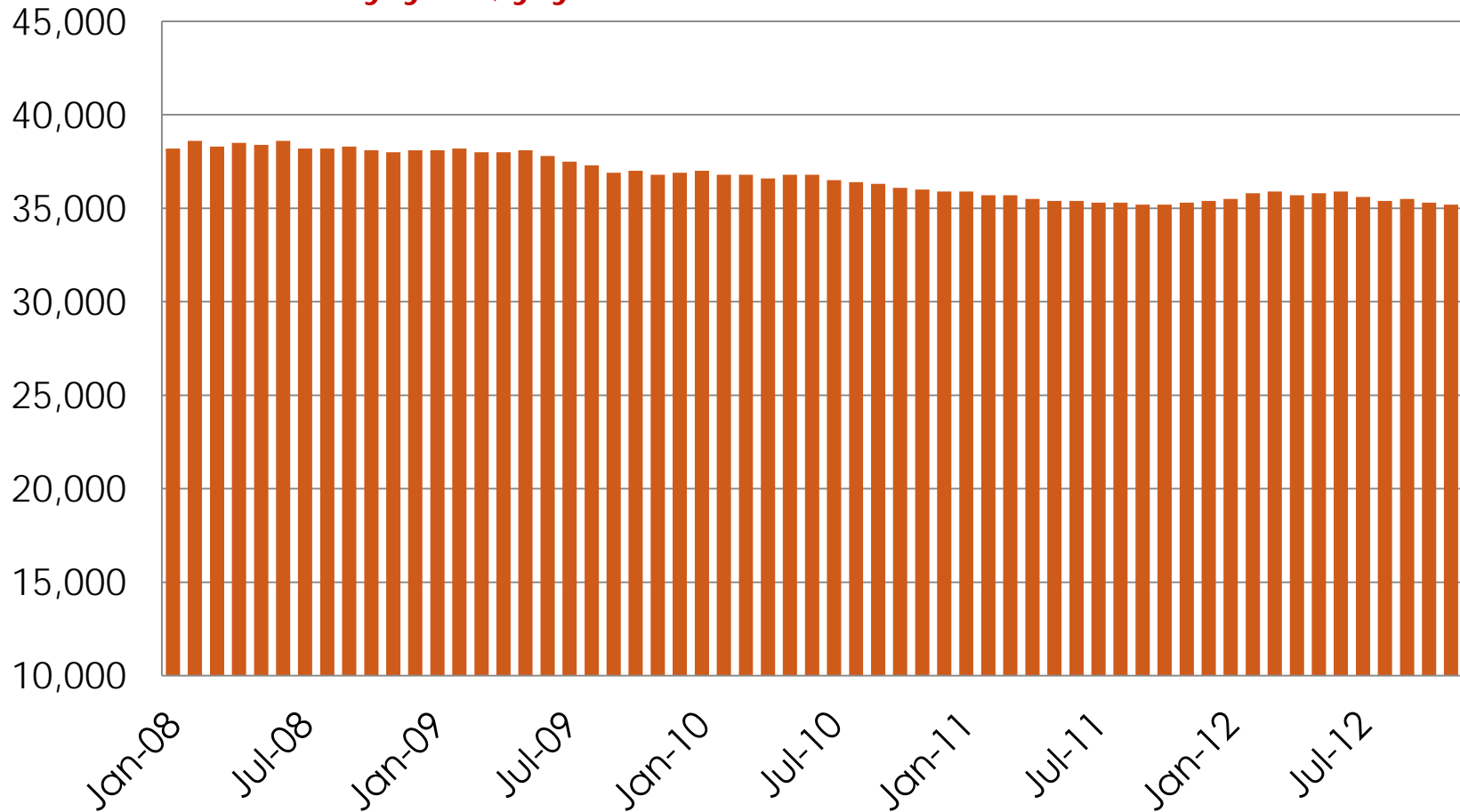
LA County Manufacturing Employment

Nov 12 Y/Y Durable -4,100 | -2.1% ; Nondurable 400 | +0.3%



L.A. County Aerospace Products Manufacturing Employment

Nov 2012 y/y # 0; y/y % -0.3%



Source: CA EDD, Labor Market Information Division

L.A. Technology Employment

Sector	Nov-11	Oct-12	Nov-12	MTM %	YTY %
Computer & Electronic Product Mfg.	48,400	46,500	46,500	0.0%	-3.9%
Aerospace Product & Parts Mfg.	35,300	35,400	35,200	-0.6%	-0.3%
Pharmaceutical & Medicine Mfg.	6,700	6,900	6,900	0.0%	3.0%
Internet Service Providers, Web Portals & Data Proc.	4,400	4,500	4,500	0.0%	2.3%
Computer Systems Design & Related Services	28,000	29,100	29,200	0.3%	3.9%
Management, Scientific & Technical Consulting	41,000	44,000	43,400	-1.4%	5.9%
Scientific Research & Development Services	17,000	16,900	16,800	-0.6%	-1.2%
Total	180,900	183,300	182,500	-0.4%	0.9%



economic forecast

Local Outlook 2012-13

California Economic Forecast

	2009	2010	2011	2012f	2013f
Nonfarm Jobs – Annual % Change	-6.0%	-1.1%	0.9%	1.5%	1.5%
Unemployment Rate	11.3%	12.4%	11.7%	10.7%	10.0%
Personal Income – Annual % Change	-5.2%	4.0%	5.6%	3.3%	4.1%
Taxable Retail Sales – Annual % Change	-12.9%	5.0%	8.2%	6.2%	4.3%
Housing Permits – Thousands Issued	36.4	44.8	47.1	58.5	76.0

Southern California Economic Forecast, 2013

	L.A. County	Orange County	Inland Empire	Ventura County	San Diego County
Nonfarm Jobs – Annual % Change	1.2%	1.7%	2.0%	1.8%	1.5%
Unemployment Rate	10.8%	7.3%	11.7%	9.0%	8.2%
Personal Income – Annual % Change	3.6%	3.1%	2.4%	3.8%	4.3%
Taxable Retail Sales – Annual % Change	3.8%	4.7%	3.8%	4.6%	4.7%
Housing Permits – Annual % Change	24.0%	25.0%	19.7%	12.6%	26.4%

“The primary purpose of economic forecasting is to make astrology look respectable.”

J.K. Galbraith

THANK YOU

*** SAVE THE DATE ***

LAEDC 2013-14 Economic Forecast & Industry Outlook

February 20, 2013
Biltmore, Downtown L.A.

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2011-2012

MID-YEAR ECONOMIC FORECAST

& INDUSTRY OUTLOOK

JULY 2011

